THE TOWN OF FLOWER MOUND TEXAS

ANNUAL COMPREHENSIVE FINANCIAL REPORT

For the Fiscal Year Ended
September 30, 2024

Town of Flower Mound, Texas

Annual Comprehensive Financial Report

For the fiscal year ended September 30, 2024

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Chief Financial Officer
John Zagurski

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THE TOWN OF
FLOWER MOUND
TEXAS

TOWN OF FLOWER MOUND, TEXAS
ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024

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THE TOWN OF
FLOWER MOUND
TEXAS

March 13, 2025

To the Honorable Mayor, Members of the Town Council, and Citizens of the
Town of Flower Mound, Texas:

With great pleasure, we present a copy of the Annual Comprehensive Financial Report (ACFR) of the Town of Flower Mound for the fiscal year ended September 30, 2024. Management assumes full responsibility for the completeness and reliability of the information in this report, based upon a comprehensive internal control framework established for this purpose. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements. To the best of our knowledge and belief, the enclosed data is accurate in all material respects and is reported in a manner designed to present fairly the end results of the operation of the various funds of the Town. All disclosures necessary to enable the reader to understand the Town's financial activities have been included.

Article III, Section 3.13 of the Town Charter requires that an annual independent audit be performed "of the books and accounts of each department of the Town." The Town has complied with this requirement, and the opinion of the auditing firm Eide Bailly LLP, Certified Public Accountants, is included in this report.

Management's discussion and analysis (MD&A) follows the independent auditor's report and provides a narrative introduction, overview, and analysis of the basic financial statements. MD&A complements this letter of transmittal and should be read in conjunction with it.

General Information – The Town of Flower Mound, Texas

The Town of Flower Mound, incorporated in 1961, is located primarily in southern Denton County, approximately 28 miles northwest of downtown Dallas, 25 miles northeast of Fort Worth, 12 miles south of Denton, and three miles north of Dallas-Fort Worth International Airport (DFW Airport). A small area located at the southern boundary also falls in Tarrant County. The Town's corporate boundary encompasses approximately 46 square miles and serves a population of 80,883. Flower Mound is a master-planned community emphasizing SMARTGrowth development, intended to preserve community character.

The majority of Flower Mound is served by the Lewisville Independent School District (LISD), with the Argyle, Denton, Grapevine-Colleyville, and Northwest Independent School Districts also providing educational services for smaller areas of the Town. LISD encompasses over 127 square miles and serves over 50,000 students in 13 North Texas communities. There are 21 LISD schools in Flower Mound: 2 high schools, 2 9th grade campuses, five middle schools, and 12

elementary schools. Most of these campuses are rated ‘Exemplary’ or ‘Recognized’ by the State of Texas.

The Town of Flower Mound Home Rule Charter was adopted on November 3, 1981, by a vote of the citizens. The Town operates under a council-manager form of government. As authorized by its Charter, it provides a full range of services, including Police Services, Fire and Emergency Services, Development Services, Parks and Recreation Services, Library Services, Environmental Services, Administrative Services, Legislative Services, Financial Services, and Public Works.

The Town Charter requires that the Town Manager submit a proposed budget to the Town Council by August 1 each year for the fiscal year beginning October 1. Before August 1, the Town Manager and Town department heads prepare expenditure estimates for the remainder of the current year and the upcoming fiscal year. These totals are compared to estimates of revenue for the same referenced period. Adjustments are made to expenditure estimates, as necessary, to ensure that the proposed budget balances total expected revenues. A new budget must be adopted by September 30, or the amounts appropriated for the current fiscal year will be adopted for the ensuing year on a month-to-month basis until a final budget is formally adopted. Following the adoption of a budget, the Town Manager and Town department heads monitor expenditures and revenues throughout the fiscal year to ensure that the integrity of the budget will be maintained. Monthly revenue and expenditure reports are produced by the Town's automated budgetary accounting system and reflect monthly and year-to-date totals for each source of revenue and expenditure.

Local Economy

More than 1,400 businesses call Flower Mound home and provide a balanced mix of retailers, restaurants, offices, and manufacturing/distribution facilities. Flower Mound’s unemployment rate as of September 2024 was 3.4 percent, compared to a 4.1 percent rate for Texas and 4.1 percent nationally for the same month. Economic conditions in Flower Mound have been greatly influenced by its proximity to two major airports: Dallas/Fort Worth International Airport, located three miles south of the Town, and Alliance Airport, located five miles to the southwest. DFW International Airport serves an average of 200,000 customers per day and is known as the economic engine of the North Central Texas region. The airport produces over $37 billion in economic impact across north Texas annually, with over 600,000 direct and indirect full-time jobs.

Transportation

Flower Mound has two major arterials: FM 1171 (Cross Timbers Road) and FM 2499 (Long Prairie Road). FM 1171 runs east to west through Flower Mound, connecting Interstate-35E to Interstate-35W. I-35 is a NAFTA-recognized highway that routes transportation and freight between Mexico and Canada through the U.S. The major north-south thoroughfare in the Town is FM 2499. Both roadways provide quick access to several major highways, providing excellent transportation access to the Dallas/Fort Worth Metroplex.

The Texas Department of Transportation (TxDOT) started work in 2018 on the next phase of the DFW Connector Project, which includes direct connections between FM 2499 and I 635, SH 114 and SH 121, and a new I 635 interchange. The new I 635/SH 121 interchange is a part of the Texas Clear Lanes Initiative provided by Governor Abbott and the Texas Legislature to reduce gridlock in some of the state’s most congested areas. This project completion has significantly decreased traffic congestion in this area. State Highway 1171 will be extended west over the next

few years with a new overpass at Interstate 35W. The state will also begin designing and working on access roads from State Highway 1171 to State Highway 407, opening large acreage tracks for development along the Interstate-35W corridor.

Medical-Related Development

Flower Mound has benefitted from a healthy and steady medical and healthcare sector that offers many widely needed services to the town and Denton County. Texas Health Presbyterian Hospital Flower Mound (THR-FM) opened in 2010 in the central mixed-use development—the River Walk at Central Park. In December 2015, the hospital completed the construction of a 19,000-sq—ft—expansion, which included four new operating rooms and 28 prep and recovery beds. A 3,275 sq. ft. Women's Imaging Center expansion opened in November 2014, which provides some of the most technologically advanced 3-D breast cancer screening options available in North Texas and is a major driver of women's healthcare technology within the State. In April 2017, Healthgrades awarded the honor of Top Hospitals for Patient Experience to the facility. In 2019, additional surgical observation training rooms were constructed, and a 150-space parking lot was completed. Most recently, a 14,250 sq. ft. interior expansion to the observation unit occurred to increase the Emergency Dept. waiting room size; additional renovations have been done to the kitchen and dining rooms, which allow the award-winning employer to continue to provide outstanding care to the community. In addition to the facility's structure, THR-FM is also home to (4) Da Vinci Robotic Surgical Systems. These systems make THR-FM one of the top hospitals in the region for required surgeries.

In 2020, **ClearSky Rehabilitation Hospital of Flower Mound** opened an inpatient rehabilitation hospital in the 56,345 square-foot building at 3100 Peters Colony Rd. Their opening created approximately 100 new, local healthcare-related jobs. The hospital provides post-acute rehabilitative care to individuals with disabling illnesses or injuries. Furthermore, the hospital comprises 29 private inpatient beds, a specially equipped gym, and a heated aquatic swimming pool. Specialized patient programs include stroke, neurological, and orthopedic rehabilitation, in addition to long-term recovery following critical care and chronic illness management, such as Parkinson's disease and multiple sclerosis. In 2021, they earned The Joint Commission's Gold Seal of Approval for Accreditation, reflecting the hospital's commitment to safe, quality patient care. To earn the accreditation, the hospital underwent a rigorous, unannounced review by The Joint Commission, in addition to on-site observations and interviews.

Commercial Development

Great care was taken to develop the southeastern portion of Flower Mound into a thriving commercial business district, taking advantage of the 3-mile proximity to DFW International Airport and significant infrastructure. The Town of Flower Mound invested $25 million in public improvements in the Lakeside Business District, including water and sewer extensions and new road construction. The “District” ended 2024 with an occupancy rate of approximately 94.6%, consistent with quarters past.

The Lakeside Business District has 10 business centers within its boundaries: Cornerstone, Corporate Ridge, Flower Mound Business Park, Lakeside Commerce Center, Lakeside DFW, Lakeside International, Lakeside Ranch Business Park, Lakeside Trade Center, Parkview Commerce Center, and Southgate at Flower Mound. Several notable developers, including Crow Holdings, Prologis Realty, EastGroup Properties, Exeter Property Group, Hillwood, Huntington Industrial, and others, have already invested in Flower Mound.

More than 100 businesses currently operate in the district, and the past year has seen some significant developments and new additions worth note, including:

Communications Test Design Inc. (CTDI), a telecom industry firm, continues to be the Town’s largest employer. The company provides engineering, repair, and logistics services for the communications industry.

CTDI has been a longtime corporate resident of Flower Mound, with many employees living in and around the Town. CTDI keeps choosing Flower Mound to benefit from a well-maintained business park and central location. This allows the company to draw employees from a large area and easily access DFW International Airport, as it often brings in its various clients. The largest private employer in Flower Mound, CTDI, has grown from 600 employees to over 1,300. The telecom industry firm continues to grow within Flower Mound.

The **Lakeside International Office Center** development contains two office buildings, a four-story-120,000 sq. ft. building and two story-18,500 sq. ft. building. Both buildings are served by surface and structured parking. The site includes a trail system that connects patrons to the nearby Shops at Lakeside. Corporate leases within the Lakeside International Office Center include CrowdFunding Real Estate, Medigent Health Services Healthcare, and The Qt Technology Company, CD Consultants Construction.

The **Lakeside Crossing** development came online in 2021, with tenants such as Outlaw FitCamp by Jesse James, Honeybird Sandwiches and Donuts, The UPS Store, Texas Health Family Care, and Smoothie King. In 2022, the Town granted approval for a fine-dining cocktail restaurant named Tycoon, which opened in the spring of 2023. The Town Council approved rezoning to pave the way for Cachet Salons and Spa and Marty B's Coffee Shop. These two entities will significantly add to the mixed-use development and the overall area.

In addition to the south end of Town, Flower Mound has designated approximately 1,500 acres in the west end of Town for mixed-use residential and commercial development. The Denton Creek District is located along I-35W, U.S. 377, and FM 1171. The Denton Creek District emphasizes high-quality, regional commercial and industrial development and mixed office, retail, and residential uses. The main property in the district is the Furst Ranch, which gained its Zoning approval from the Council in 2022. This will allow an almost $6 billion development to move forward on the four corners of 377 and 1171. Infrastructure improvements are expected to begin in the first quarter of 2025.

Progress continues to be made on the Canyon Falls development to the far west side of Flower Mound. Canyon Falls is a 1,242-acre master-planned community in the Denton Creek District in Flower Mound, Northlake, and Argyle. Approximately 626 acres of the development are in Flower Mound. Tentative plans for the project include different village types based on the natural features prominent in that area. Commercial and retail space will be available toward the west and northwest of the property near Interstate -35W. Denton Creek Blvd, northwest of Canyon Falls, out to IH-35W, is in the design phase, while the bridge over Denton Creek is currently under construction. This will be met by a new exit ramp, and access roads off IH-35, and another 230+ acres will be opened for commercial development, giving Flower Mound its first Interstate-accessible land. This project has been approved for zoning referral to the Town Council and will be on the Town Council's agenda for zoning approval at their January 6, 2025, meeting. The Town staff is deeply involved with several large retailers for this site.

The Town also approved a Tax Increment Reinvestment Zone (TIRZ 2) for its western development. This will help to build the infrastructure necessary for the growth and development projected to come to the 377/1171/IH-35W corridor.

Commercial Permit Activity

In 2024, 149 certificates of occupancy were issued. Notable permits throughout the year included Enchanted Events, Donatos Pizza, and Cerulean Blue.

The River Walk at Central Park – Central Business District. The River Walk at Central Park is a 158-acre mixed-use development that integrates commercial, office, retail, restaurant, medical, and residential uses in various building types. Easily accessible from any part of the DFW Metroplex, The River Walk at Central Park is anchored by Texas Health Presbyterian Hospital Flower Mound and located along the Town's major north/south development corridor.

The River Walk offers walkable shopping, dining, art, entertainment, and more along a majestic flowing river. A restaurant row features unique and varied dining options, all with a shared patio on the waterfront. In 2014, highly-requested restaurants La Madeleine and Luna Grill were added to the nearby River Walk Market. Residential offerings in the development have continued to be completed over the past year and have experienced significant demand. Pre-leasing has been quick and received stellar reviews, to the point that the residential acreage is almost complete.

Amenities completed within The River Walk at Central Park include sidewalks and pedestrian bridges, lighted waterfalls, a 100-foot water wall, shade structures, public art, a stone and iron clock tower, a pavilion, and more. The chapel and event center are open and operational as of January 2021.

The Town's first hotel, a **Courtyard by Marriott**, has now been operational for over five years and has become a community staple. Located at the north end of the River Walk development, the five-story, 146-room, upscale hotel features more than 6,000-sq. ft. in meeting and conference space, an upscale restaurant and bar, outdoor fire pits, balconies overlooking the river and amphitheater, and many high-end finishes to ensure a luxurious experience for guests. A public parking structure sits alongside the hotel, offering guests and visitors immediate access to the River Walk's future amenities.

A second hotel, **Home2Suites,** operates within the River Walk development. The almost 70,000 sq. ft. hotel includes 100 rooms, a small dining area, an exercise room, a pool, a small meeting area, and a small retail space from which a separate retailer may operate.

The Town recently purchased 3+ acres to build a Cultural Arts Center in conjunction with Denton County on the north end of the River Walk. This center is expected to begin design in the first quarter of 2025. It will add significant value to the overall River Walk and add a destination amenity

that will draw people in for a night of entertainment throughout the year. **Lakeside DFW.** Success of the $multi-billion, 150-acre, mixed-use development continues while construction moves to Lakeside Village. This past year brought continued activity with the construction of the residential tower of Lakeside Village, which will be the beginning of a $1 billion addition to the development. This tower is projected to open as early as the first quarter 2025. On top of that, almost 30 retailers and restaurants now operate at The Shops at Lakeside (in Lakeside DFW), which offers a wide variety of dining, entertainment, and shopping options, creating a modern and vibrant area.

SpaVela, in 2020 has brought much activity to Lakeside DFW. The 16-story condominium tower includes 48 residences, four ground-level villas, and two bungalows on the pool and amenity terrace. Each residence ranges in size from 1,400 square feet to over 6,200 square feet. Private elevators provide residents with direct elevator access to their homes. Building amenities include a wine room, yoga room, club room, private dining room, private cinema, a full-service spa, guest suites, gym, steam rooms, golf simulator, and a pool terrace. Residents of the Lakeside Tower also have access to 24-hour concierge, valet, and private parking garages enclosed within the main parking garage. The Tower is fully occupied.

Completing Lakeside DFW will pave the way for the developer Realty Capital to embark upon another endeavor, Lakeside Village. The developer broke ground on the project in 2020, commencing construction of the extensive infrastructure needed to support the project. **Lakeside Village** is located immediately south of the existing Lakeside DFW. The approximately 40-acre mixed-use development on the north shore of Grapevine Lake will bring new residences of every kind, office, hotel, retail, and restaurant uses, as well as an amphitheater, community greens, and trails. This environment will be unique to the Metroplex, attracting patrons from beyond our borders. For example, the proposed six restaurant sites will be located on elevated terrain on the southernmost tip of the property, offering breathtaking views of Grapevine Lake. Lakeside Village will offer several amenities to its residents and visitors, but with an estimated build-out value of over $1 billion, the economic impact is far-reaching. All of this relied on an economic development grant negotiated in 2022 between Realty Capital and the Town.

Retail Development

With moderate population growth, a median household income of $159,636, several residential developments under construction or planned for the future, and a median home price of $605,000. Flower Mound is also an ideal location for business. Almost 400 retailers and restaurants have already called it home, with many more on the horizon.

Tax Increment Reinvestment Zone (TIRZ #1)

TIRZ #1 encompasses approximately 1,465 acres along FM 2499, one-half mile south of FM 1171 and north of FM 407. The estimated revenue of the zone over its 20-year life is conservatively $78,600,000, representing an anticipated $55,020,000 from the Town and $23,580,000 from Denton County.

Town Awards/Accolades

- No. 7 Safest City in the U.S.
- No. 1 Best Place to Live in the Southwest by Livability
- No. 1 Best Place to Live in Texas by Rocket
- No. 4 Most Livable Small City in the US by Smart Asset
- No. 1 Safest Place in Texas by GoodHire
- No. 1 Best Place to Live in Denton County by Niche
- No. 4 Best Suburb to Buy a House in the DFW Area by Niche
- No. 10 Best Suburb to Raise a Family in Texas by Niche
- And many more at www.flower-mound.com/awards

Employee Compensation

The salary pay ranges in the Town's pay plans shall be reviewed annually to maintain all pay ranges at the 65th percentile of the market. In the FY 2023-2024 budget, the Town Council approved a market adjustment for general government employees, a market increase for public safety employees in step pay plans that varies by position, and a three percent merit increase for all Town employees meeting performance standards.

Long-term Financial Planning

The Town develops a multi-year financial forecast as part of the budgeting process. Over the past few years, the Town has seen steady residential and commercial growth, which has allowed for balanced budgets that meet the needs of citizens while maintaining a high level of reserves. In November 2007, voters approved four, one-fourth-of-one-percent, dedicated sales tax votes for park and recreation improvements, street maintenance, a Crime Control and Prevention District (CCPD), and a Fire Control, Prevention, and Emergency Medical Services District. The resulting increased sales tax rate was enacted on April 1, 2008. These dedicated sales tax funds have provided the Town with the needed resources to create two new police beats, build and staff two new fire stations, exceptionally maintain the Town's streets, and improve and expand the Town's park system. The Town Charter requires a General Fund unreserved fund balance of at least 10%. In addition, the Financial Policies of the Town require a balance of at least 20%. Between FY 2018-2019 and FY 2023-2024, the balance has ranged from a low of 33.09% to a high of 47.15%. The decrease in General Fund Ending Fund Balance for FY 2023-2024 was due to the purchase of 22 acres on the west side of Flower Mound. The balance at the end of FY 2024-2025 is projected to be 34.61%.

Tax Rates

All taxable property within the Town is subject to the assessment, levy, and collection of a continuing, direct ad valorem tax sufficient to fund operation and maintenance costs in the Town's General Fund as approved by the Town Council and provide payment of principal and interest on outstanding general obligation bonds.

The allocation of property tax levy by purpose (maintenance and operation vs. debt service) for Fiscal Year 2023-2024 and the preceding three years is reflected in the following table (amounts per $100 of assessed value):

Purpose	2023-2024	2022-2023	2021-2022	2020-2021
Maintenance & Operation	$.3483	$.3609	$.3506	$.3478
Debt Service	.0390	.0441	.0544	.0887
Total Tax Rate	$.3873	$.4050	$.4050	$.4365

Tax Appraisal/Collection Responsibilities

Under Texas law enacted in 1979 and subsequent revisions to the Texas Property Tax Code, the appraised value of taxable property in Flower Mound is established by the Denton Central Appraisal District and the Tarrant Appraisal District. The Town of Flower Mound and other taxing jurisdictions provide a pro-rata share of the budgeted expenditures incurred by the Denton Central Appraisal District and the Tarrant Appraisal District each year. In Fiscal Year 2023-2024, the Town's payment for appraisal services was $391,861 to Denton Central Appraisal District and $10,629 to Tarrant Appraisal District. The Town contracted with the Denton County Tax Office for the collection of ad valorem taxes for the year beginning October 1, 2023, and ending September 30, 2024. The Town paid $32,815 for these services.

Independent Audit

Article III, Section 3.13 of the Town Charter requires that an annual independent audit be performed of “the books and accounts of each department of the Town”. The Town has complied with this requirement, and the independent auditor’s report has been included in this report.

Budgetary Control

Budgetary control is established and maintained after the budget is adopted by preparing monthly revenue and expenditure statements, which provide monthly and year-to-date amounts and percentages of budgeted appropriations expended by fund, department, and division.

Budget transfers can be processed between line items in a division and between divisions in a department in the same fund. A transfer cannot change the total budget for a department. Amendments can be made to transfer funds, changing the total budget. Section 9.14 of the Town Charter provides the Town Council the authority to amend the budget and reads:

During the fiscal year, the Town Council shall have the power to transfer funds allocated by the budget from one department to another department and to re-estimate revenues and expenditures. If the Town Council determines it is in the best interest of the Town to apply for and accept a private, county, state, or federal grant of funds for a particular purpose, the Council's action in accepting the award of said grant and any corresponding expenditures shall constitute a budget appropriation in the amount of said grant funds.

Awards

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Town of Flower Mound, Texas, for its annual comprehensive financial report for the fiscal year ending September 30,

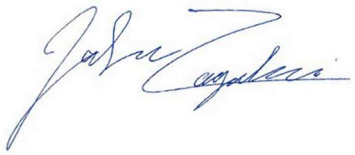
2023. The Town of Flower Mound, Texas, has received a Certificate of Achievement for the last thirty-six consecutive years. To be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized annual comprehensive financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current annual comprehensive financial report continues to meet the Certificate of Achievement Program's requirements, and we are submitting it to GFOA to determine eligibility for another certificate.

Acknowledgments

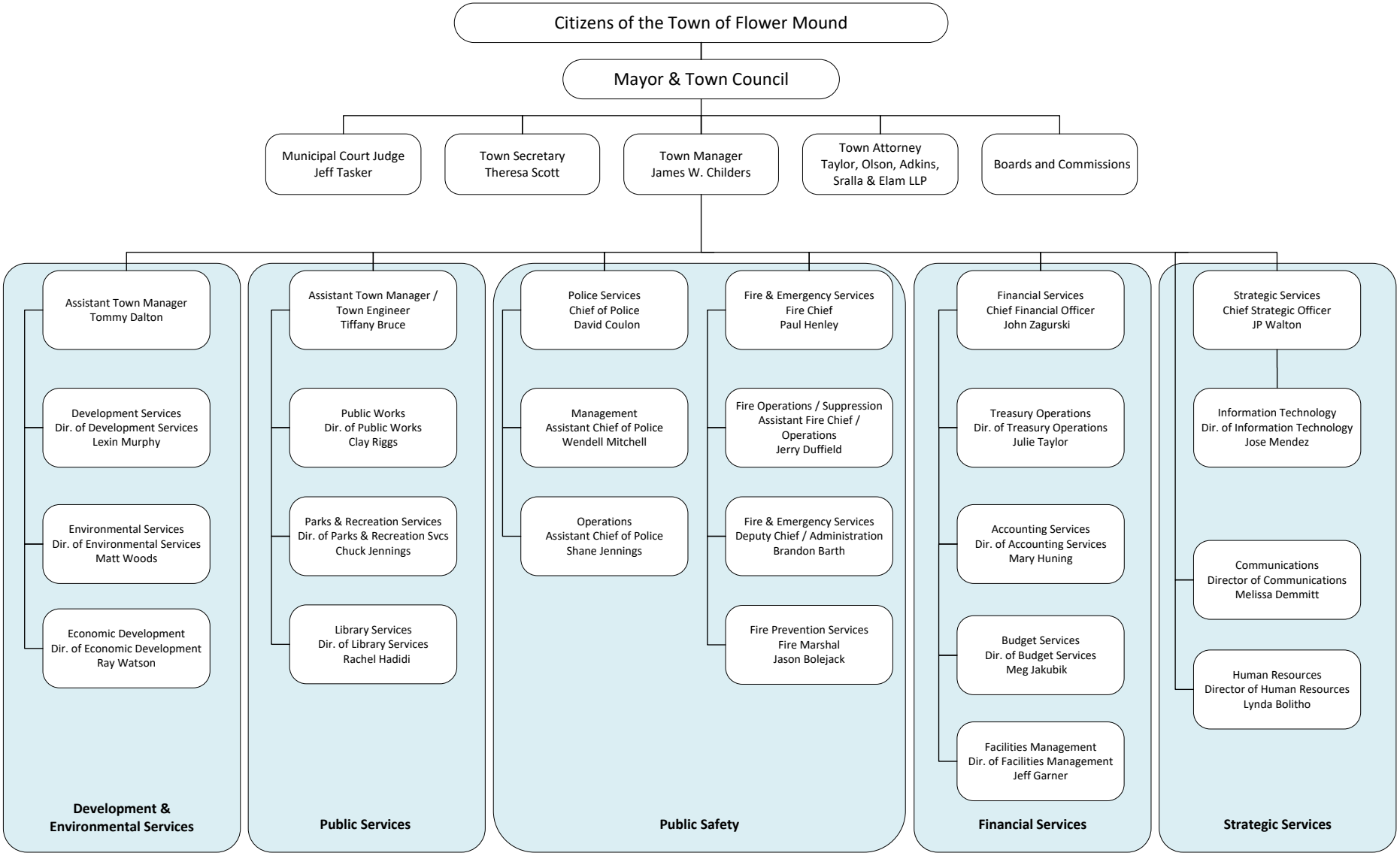
The preparation of the Annual Comprehensive Financial Report on a timely basis was made possible by the dedicated service of the entire staff of the Financial Services Department. The administrative and finance staff also wish to commend and thank the Mayor and Town Council for their leadership and support in our combined efforts to provide a comprehensive program of municipal operations and services while remaining within a framework of sound financial planning, responsible fiscal control, and progressive financial reporting.

Respectfully submitted,



John Zagurski
Chief Financial Officer

Town of Flower Mound Organizational Chart (As of May 6, 2024)



Communications: Customer Relations
Parks and Recreation Services: Community Activity Center, Senior Center
Police Services: Animal Services, School Crossing, Criminal Investigations, Patrol, Communications Center, Support Services
Public Works: Engineering Services, CIP Engineering
Development Services: Planning Services, Building Inspections

Town of Flower Mound
PRINCIPAL OFFICIALS
September 30, 2024

TOWN OFFICIAL	ELECTIVE POSITION	TERM EXPIRES
Cheryl Moore	Mayor	2027
Adam Schiestel	Deputy Mayor Pro Tem Council Member, Place 1	2025
Chris Drew	Council Member, Place 2	2026
Brian Taylor	Council Member, Place 3	2025
Janvier Werner	Council Member, Place 4	2027
Ann Martin	Mayor Pro Tem Council Member, Place 5	2026

ADMINISTRATIVE STAFF	ADDRESS	POSITION
James Childers	2121 Cross Timbers Road	Town Manager
Tommy Dalton	2121 Cross Timbers Road	Assistant Town Manager
Tiffany Bruce	2121 Cross Timbers Road	Assistant Town Manager/Town Engineer
John Zagurski	2121 Cross Timbers Road	Chief Financial Officer
Theresa Scott	2121 Cross Timbers Road	Town Secretary
David Coulon	2121 Cross Timbers Road	Chief of Police
Paul Henley	2121 Cross Timbers Road	Fire Chief

Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Town of Flower Mound Texas

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

September 30, 2023

Executive Director/CEO

THE TOWN OF
FLOWER MOUND
TEXAS

EideBailly

CPAs & BUSINESS ADVISORS

Independent Auditor's Report

To the Mayor and
Members of Town Council
Town of Flower Mound, Texas

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Flower Mound, Texas (the Town) as of and for the year ended September 30, 2024, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Flower Mound, Texas, as of September 30, 2024, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States *(Government Auditing Standards)*. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Town, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Town's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

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Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Town's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Town's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control–related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – General Fund, TMRS Schedule of Changes in Net Pension Liability and Related Ratios, TMRS Schedule of Contributions, TMRS SDBF Schedule of Changes in Total OPEB Liability and Related Ratios, Retiree Insurance Schedule of Changes in Total OPEB Liability and Related Ratios be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context.

We have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town's basic financial statements. The combining and individual nonmajor fund financial statements and schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards,* are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the combining and individual nonmajor fund financial statements and schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 13, 2025 on our consideration of the Town's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Town's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town's internal control over financial reporting and compliance.

Eide Bailly LLP

Abilene, Texas
March 13, 2025

Town of Flower Mound, Texas
Management's Discussion and Analysis
September 30, 2024

The management of the Town of Flower Mound offers readers of the financial statements this narrative overview and analysis of the financial activities of the Town for the fiscal year ended September 30, 2024. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal.

Financial Highlights

- The assets and deferred outflows of resources of the Town of Flower Mound exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by $687,677,560. Of this amount, $73,386,357 may be used to meet the government's ongoing obligations to citizens and creditors.
- The Town's total net position increased by $27,009,442. The majority of this increase is attributable to development in both governmental funds and business-type activities.
- As of September 30, 2024, the Town of Flower Mound's governmental funds reported combined ending fund balances of $132,778,642, an increase of $56,132 in comparison with the prior year. 25.20% of this total amount, $33,465,024, is available for spending at the government's discretion (*unassigned fund balance*).
- At the end of the current fiscal year, the unassigned fund balance for the general fund was $33,465,024, or 32.40% of total general fund expenditures.
- The Town of Flower Mound's bonded debt decreased by $6,335,000 during the current fiscal year. The key factors in this decrease were a net of debt payments in the amount of $13,415,000, refunding of outstanding debt in the amount of $5,575,000 and the issuance of $7,320,000 in certificates of obligation and $5,335,000 in general obligation refunding bonds.

Overview of the Financial Statements

The management discussion and analysis are intended to serve as an introduction to the Town's basic financial statements. The Town's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide financial statements. The government-wide financial statements are designed to provide readers with a broad overview of the Town's finances, in a manner similar to a private-sector business.

The statement of net position presents information on all of the Town's assets, liabilities, and deferred inflows/outflows of resources, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Town is improving or deteriorating. However, other non-financial factors should also be considered.

The statement of activities presents information showing how the Town's net position changed during the most recent fiscal year. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused leave). Both the statement of net position and the statement of activities are prepared utilizing the accrual basis of accounting as opposed to the modified accrual basis used in governmental funds.

In the Statement of Net Position and the Statement of Activities, the Town is divided between two kinds of activities:

- **Governmental activities**. Most of the Town's basic services are reported here, including the police, fire, library services, community development, public services, information services, park services, municipal court, and general administration. Property taxes, sales taxes, and franchise fees finance most of these activities.

- **Business-type activities**. The Town charges a fee to customers to help it cover all or most of the cost of certain services it provides. The Town's water, sewer and drainage utilities are reported here.

Fund Financial Statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Fund financial statements provide detailed information about the most significant funds, not the Town as a whole. Some funds are required to be established by state law or bond covenants. However, the Town Council establishes many other funds to help it control and manage money for particular purposes or to show that it is meeting legal responsibilities for using certain taxes, grants and other money. All of the funds of the Town of Flower Mound can be divided into three categories: governmental funds, proprietary funds and fiduciary funds.

Governmental funds. The majority of the Town's basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. These funds are reported using an accounting method identified as the modified accrual basis of accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the Town's general government operations and the basic services it provides. Governmental fund information helps the reader determine whether there are more or fewer financial resources that can be spent in the near future to finance the Town's programs. By comparing information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and governmental fund statement of revenues, expenditures, and changes in fund balances provide a detailed reconciliation to facilitate this comparison between governmental funds and governmental activities.

The Town of Flower Mound maintains twenty-nine individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund, debt service fund, and capital projects fund, all of which are considered to be major funds. Data from the other twenty–six governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

Proprietary funds. The Town charges customers for the services it provides, whether to outside customers or to other units within the Town. These services are generally reported in proprietary funds. Proprietary funds are reported in the same manner that all activities are reported in the Statement of Net Position and the Statement of Activities. The Town's enterprise fund (a component of proprietary funds) is identical to the business-type activities reported in the government-wide statements but provides more detail and additional information, such as cash flows. The internal service funds (the other component of proprietary funds) are utilized to report activities that provide supplies and services for the Town's other programs and activities, such as the Town's self-insurance fund and vehicle, equipment, and technology replacement fund. Because these services benefit both governmental and business-type functions, they have been included in both the governmental and business-type activities in the government-wide financial statements.

The Town of Flower Mound maintains an enterprise fund to account for water, sewer and drainage services provided to the Town's retail and wholesale customers. All activities associated with providing such services are accounted for in this fund, including administration, operation, maintenance, debt service, capital improvements, billing and collection. The Town's intent is that the costs of providing the services to the general public on a continuing basis are financed through user charges in a manner similar to a private enterprise.

Fiduciary funds. Fiduciary funds account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statement because the resources of those funds are not available to support the Town's programs. The accounting used for fiduciary funds is much like that used for proprietary funds. The Town's only fiduciary fund is the Public Improvement District debt service custodial fund.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Other information. In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the general fund revenue and expenditures budget and actual information, as well as, the funding progress and contributions of TMRS and the Town's other post-retirement benefits (OPEB).

Government-wide Financial Analysis

The Town's combined net position is $687,677,560 as of September 30, 2024. Analyzing the net position and net expenses of governmental and business-type activities separately, business-type activities' net position is $219,572,004. This analysis focuses on the net position and changes in general revenues and significant expenses of the Town's governmental and business-type activities.

The largest portion of the Town's net position reflects its investment in capital assets (e.g., land, buildings, machinery, equipment, and infrastructure), less any related debt used to acquire those assets that is still outstanding. The Town uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Town's net investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

The following table summarizes the Town's net position:

	Governmental activities		Business-type activities		Total	
	2024	2023	2024	2023	2024	2023
Current and other assets	$ 163,837,280	$ 164,304,836	$ 98,341,002	$ 98,386,970	$ 262,178,282	$ 262,691,806
Capital assets	385,912,768	371,116,934	238,104,310	227,032,167	624,017,078	598,149,101
Total assets	549,750,048	535,421,770	336,445,312	325,419,137	886,195,360	860,840,907
Deferred outflows of resources	11,906,632	16,281,628	1,461,909	2,069,855	13,368,541	18,351,483
Long-term liabilities outstanding	79,770,963	90,521,753	108,503,537	109,449,828	188,274,500	199,971,581
Other liabilities	11,289,042	12,748,938	9,419,867	5,370,754	20,708,909	18,119,692
Total liabilities	91,060,005	103,270,691	117,923,404	114,820,582	208,983,409	218,091,273
Deferred Inflows of resources	2,491,119	432,999	411,813	-	2,902,932	432,999
Net investment in capital assets	342,979,690	321,761,029	166,460,940	155,694,087	509,440,630	477,455,116
Restricted	79,153,252	69,602,155	25,697,321	30,191,619	104,850,573	99,793,774
Unrestricted	45,972,614	56,636,524	27,413,743	26,782,704	73,386,357	83,419,228
Total net position	$ 468,105,556	$ 447,999,708	$ 219,572,004	$ 212,668,410	$ 687,677,560	$ 660,668,118

Governmental activities. The following table provides a summary of the Town's operations for the year ended September 30, 2024. Governmental activities increased the Town's net position by $20,105,848, accounting for 74.44% of the total increase in net position. The majority of governmental activities increase in net position is due to development activity in the Town and controlling expenses.

Business-type activities. Business-type activities increased the Town's net position by $6,903,594, accounting for 25.56% of the total increase in net position. Business-type activities net position increased due to a utility rate increase and development activity in the Town.

	Governmental activities		Business-type activities		Total	
	2024	2023	2024	2023	2024	2023
Revenues:						
Program revenues:						
Charges for services	$ 12,781,909	$ 13,295,744	$ 59,239,851	$ 59,995,515	$ 72,021,760	$ 73,291,259
Operating grants and contributions	2,984,114	1,239,871	-	-	2,984,114	1,239,871
Capital grants and contributions	6,611,604	10,647,484	1,973,035	4,114,012	8,584,639	14,761,496
General revenues:						
Property taxes	63,095,966	60,960,971	-	-	63,095,966	60,960,971
Sales taxes	37,844,425	37,369,199	-	-	37,844,425	37,369,199
Occupancy taxes	734,306	573,356	-	-	734,306	573,356
Other taxes	7,356,987	7,706,605	-	-	7,356,987	7,706,605
Unrestricted investment earnings	8,868,651	6,373,438	3,931,834	2,973,332	12,800,485	9,346,770
Miscellaneous	1,338,842	841,192	302,290	264,877	1,641,132	1,106,069
Total revenues	141,616,804	139,007,860	65,447,010	67,347,736	207,063,814	206,355,596
Expenses:						
Town manager's office	4,561,125	3,388,706	-	-	4,561,125	3,388,706
Legislative services	591,258	667,367	-	-	591,258	667,367
Development services	2,902,741	2,511,730	-	-	2,902,741	2,511,730
Parks and recreation services	18,270,624	16,575,189	-	-	18,270,624	16,575,189
Library services	2,522,204	2,322,283	-	-	2,522,204	2,322,283
Police services	25,973,268	24,667,709	-	-	25,973,268	24,667,709
Financial services	6,552,397	5,098,691	-	-	6,552,397	5,098,691
Administrative services	9,072,858	7,655,684	-	-	9,072,858	7,655,684
Fire and emergency services	29,796,129	28,810,186	-	-	29,796,129	28,810,186
Communications	1,012,662	1,022,276	-	-	1,012,662	1,022,276
Public works	19,604,948	15,174,383	-	-	19,604,948	15,174,383
Environmental services	1,751,125	1,511,256	-	-	1,751,125	1,511,256
Interest on long-term debt	1,226,657	1,489,993	-	-	1,226,657	1,489,993
Utilities		-	56,216,376	51,443,477	56,216,376	51,443,477
Total expenses	123,837,996	110,895,453	56,216,376	51,443,477	180,054,372	162,338,930
Increase (decrease) in net position before transfers	17,778,808	28,112,407	9,230,634	15,904,259	27,009,442	44,016,666
Transfers	2,327,040	2,816,837	(2,327,040)	(2,816,837)	-	-
Increase (decrease) in net position	20,105,848	30,929,244	6,903,594	13,087,422	27,009,442	44,016,666
Net position - 10/01	447,999,708	417,070,464	212,668,410	199,580,988	660,668,118	616,651,452
Net position - 09/30	$ 468,105,556	$ 447,999,708	$ 219,572,004	$ 212,668,410	$ 687,677,560	$ 660,668,118

Financial Analysis of the Government's Funds

Governmental funds. The focus of the Town's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information helps assess the Town's financing requirements. In particular, unassigned fund balance may serve as a valuable measure of the government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the Town's governmental funds reported combined ending fund balances of $132,778,642, an increase of $56,132 in comparison with the prior year. Approximately $33,465,024 or 25.20% of the total amount constitutes unassigned fund balance, which is available for spending at the Town's discretion. Committed fund balance totals $15,448,541 or 11.63%, meaning that the Town by formal action has determined what this amount will be spent on.

Fund balance of $82,698,570 or 62.28% is restricted to indicate that it is not available for new spending. The Town also has prepaid items and inventory of $1,166,507 or 0.88% which are classified as non-spendable fund balance.

The general fund is the chief operating fund of the Town. At the end of the current fiscal year, unassigned fund balance of the general fund totaled $34,631,531, while total fund balance was $33,465,024. As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 32.40% of total general fund expenditures, while total fund balance represents 33.53% of that same amount.

The fund balance of the Town's general fund decreased by $7,302,298 during the current fiscal year.

Key factors are as follows:

- Property tax revenue increase from the previous year of $1,905,096.
- Sales tax revenue increase from the previous year of $223,769.
- Expenditures increased by $7,547,128 due to the purchase of land.

Property tax revenue is higher due to increased assessed values and development activity. Sales tax revenue is higher than the previous year due to continued recovery from the impact of the pandemic for restaurants and retail establishments.

The debt service fund has a total fund balance of $211,195, a decrease of $579,168. This decrease is due to tax rate calculations and how the debt portion of the TIRZ is handled in the calculation.

The fund balance of the Town's capital projects fund decrease by $2,387,478 during the current fiscal year due to capital project activity.

Other governmental funds have a total fund balance of $73,976,895, an increase of $10,325,076. The TIRZ Fund, Street Maintenance Fund, and the Parks 4B Fund increased due to less capital project activity and increased tax collections. The Crime District Fund and Fire District Fund increased due to increased tax collections.

Proprietary funds. The Town's proprietary fund provides the same type of information found in the government-wide financial statements, but in more detail.

Net position in the Enterprise Fund totaled $218,893,151 at the end of the fiscal year 2024, an increase of $6,671,297 or 3.14%. Included in net position is $166,460,940 net investment in capital assets and $25,697,321 restricted for capital projects. The remaining net position balance of $26,734,890 consists of unrestricted net position. In the current fiscal year, total operating revenues are $59,542,141 while operating expenses are $55,742,620. Revenue decreased under the prior year due to additional rainfall during the spring and summer. Expenses increased due to the purchase of wholesale water and capital project activity.

General Fund Budgetary Highlights

During fiscal year 2023-2024, the Town Council of the Town of Flower Mound amended the budget for the General Fund two times. The original expenditure budget was amended to increase the budget by $15,767,840. Expenditures were increase by $2,694,947 to re-appropriate funds budgeted in prior years for outstanding purchase orders at September 30, 2023.

Market adjustments for employees were not originally included in the FY 2023-2024 budget. The Human Resources department worked with a consultant to calculate up to date market rates. Due to many cities not making changes until later in the fall, the decision was made to consider a market increase for eligible employees in December. In order to fund the market adjustments, expenditures increased by $1,270,245 in the General Fund. Expenditures will increased by $2,394,000 to account for a transfer to the Health Insurance/Flex Account Fund to the fund the costs associated with a few unusually high claimants.

A recent self-audit was conducted of the number of users and stations related to the ICS CAD, Mobile Data Computers, and Records Management in Police, Fire, Animal Services, and Municipal Court. It was discovered that the Town is using more licenses across these departments than originally purchased. A budgetary amendment was done to cover the cost of these additional licenses, so that current operations and service levels can continue. In the General Fund, $61,200 is needed for the Police Department, $28,858 for the Fire Department, and $6,147 for Municipal Court, for a total of $96,205.

In the Facilities Management Division of the General Fund, expenditures increased by $844,900 to account for projects that were budgeted but not completed in the last fiscal year. Due to time constraints and supply chain issues, seven projects that were budgeted in FY 22-23 were unable to be completed during the fiscal year: Fire Station #1 crew renovations for $150,000, Fire Station #2 HVAC replacement for $130,900, Fire Station #3 HVAC replacement for $132,000, Fire Station #3 diesel tank for generator for $7,000, Animal Adoption Center walk-in freezer for $50,000, Animal Adoption Center HVAC upgrade for $370,500, and Animal Adoption Center access control doors for $4,500.

The Fire Department has a 2017 Pierce Wildland Pumper (vehicle 63000-05) that needs to be replaced. The vehicle was mistakenly left off the FY 23-24 VERF replacement list. The unit is being replaced with a Pierce Custom Enforcer Aerial Quint for Fire Suppression. The amendment includes $9,750 in the General Fund for the mobile router and radios.

Budgetary review at the end of the fiscal year required several adjustments between departments to offset overages. Savings were identified in the Town Manager's Office and Parks and Recreation to transfer to departmental budgets that were over. The Fire Department's budget was increased by $880,000 to account for the expenses incurred for emergency deployments, which were reimbursed by the State. Non-Departmental Services was increased by $7,547,128 to account for the purchase of the 22.2-acre tract of land authorized by the Town Council on May 6, 2024.

For fiscal year 2023-2024, actual expenditures on a budgetary basis were $101,380,034 compared to the original budget of $88,140,703. This was a negative $13,239,331 variance.

Actual revenue on a budgetary basis was $91,489,703 compared to the original budget of $88,915,405. This was a positive variance of $2,574,298. This is primarily due to an increase in investment earnings.

Capital Asset and Debt Administration

Capital assets. The Town's investment in capital assets for its governmental and business-type activities as of September 30, 2024, amounted to $624,017,078 (net of accumulated depreciation and amortization). This investment in capital assets includes land, building, park facilities, roads, bridges and water and sewer lines.

Major capital asset events during the current fiscal year included the following:

Description	Amount
US 377 & FM 1171 Water Line Loop & Relocation	$ 5,646,269
Vehicles	5,369,080
Oak Street Ph IV Lift Station & Force Main	4,238,485
Riverwalk at Central Park	3,467,591
Lower Timber Interceptor Rehab	1,411,583
Royal Oaks Water Line Replacement Ph1	1,269,135
Morriss Road Water Line Phase III	1,214,366
Timber Creek Water Line Ph I	1,069,502
Spring Meadow Lane Sewer Line Replacement	626,294
Joint Fire Training Facility	596,641
Canyon Falls Park	572,941
Timber Creek Water Line Replacement Ph 2	521,479
Technology Improvements	411,130
Lakeside Parkway Capacity Imp	393,717
Sidewalk Links	388,123
Water/Wastewater System Security Implementation	362,929
Waketon Road	344,998
Denton Creek Boulevard Bridge	331,121
Lakeside Water Reuse Pump Station	315,433
Hillside Wastewater Rehab	296,763
Glen Chester Lift Station Rehab	283,491
ADA Transition Plan & Implementation	244,257
Retaining Wall at the Mound	221,204
Signal Rehab- FM 2499 @ Firewheel Drive	206,912
Garden Ridge @ Forest Vista	204,454
Rippy Road Water Line Improvements	200,000
FM 1171 @ Canyon Falls Blvd	189,400
Traffic Detection Rehabilitation	188,021
Lakeside Water Reuse Water Line	182,103
Wastewater Treatment Plant Effluent Filter Rehabilitation	174,835
Stonehill Pump Station Motor Replacement	166,000
FM 2499 @ FM 3040 Intersection	162,764
Utility Asset Management & Utility Replacement	150,754
Water System Leak Detection & Repair	148,369
Scenic Drive Water Line	147,000
	$ 31,717,147

Capital Assets at Year-end
(Net of Depreciation/Amortization)

	Governmental Activities		Business-type Activities		Totals	
	2024	2023	2024	2023	2024	2023
Land	$ 45,132,925	$ 37,585,797	$ 4,419,755	$ 4,419,755	$ 49,552,680	$ 42,005,552
Construction in progress	45,825,059	49,216,623	26,136,362	9,726,155	71,961,421	58,942,778
Buildings	78,538,413	81,911,668	27,427,652	28,600,552	105,966,065	110,512,220
Distribution system	-	-	178,466,256	182,527,194	178,466,256	182,527,194
Equipment	19,394,331	13,475,523	1,647,571	1,715,179	21,041,902	15,190,702
Improvements	30,324,810	26,577,575	-	-	30,324,810	26,577,575
Streets and bridges	165,331,540	161,847,374	-	-	165,331,540	161,847,374
Subscription right-of-use assets	1,365,690	502,374	6,714	43,332	1,372,404	545,706
Totals	$ 385,912,768	$ 371,116,934	$ 238,104,310	$ 227,032,167	$ 624,017,078	$ 598,149,101

Additional information on the Town's capital assets can be found in Note 5 of this report.

Long-term debt. At the end of the current fiscal year, the Town had total bonds outstanding of $136,735,000 in tax supported debt.

Outstanding Debt, at Year-end

	Governmental Activities		Business-type Activities		Totals	
	2024	2023	2024	2023	2024	2023
General obligation bonds	$ 10,670,000	$ 11,845,000	$ 13,640,000	$ 12,390,000	$ 24,310,000	$ 24,235,000
Certificates of obligation	30,200,000	35,735,000	82,225,000	83,100,000	112,425,000	118,835,000
Totals	$ 40,870,000	$ 47,580,000	$ 95,865,000	$ 95,490,000	$ 136,735,000	$ 143,070,000

The Town of Flower Mound's bonded debt decreased by $6,335,000 during the current fiscal year. The key factors in this decrease were a net of debt payments in the amount of $13,415,000, refunding of outstanding debt in the amount of $5,575,000 and the issuance of $7,320,000 in certificates of obligation and $5,335,000 in general obligation refunding bonds.

- On June 20, 2024, the Town issued $7,320,000 in Certificates of Obligation Series, 2024, which will pay for the contractual obligations incurred for constructing street, waterworks and sewer system improvements and extensions, including the acquisition of land and rights-of-way therefor and professional services rendered in connection therewith.

- The Town Council authorized an ordinance on June 20, 2024, to issue $5,335,000 in General Obligation Refunding Bonds Series, 2024, to refund a portion of the Town's outstanding debt in order to reduce the overall debt service requirements of the Town and to pay the costs of issuance. This series refunds Certificates of Obligation Series 2015A, for $5,775,000 for years maturing 2025 through 2027 and 2031through 2035.

Standard and Poor's affirmed the Town's General Obligation Bonds and the Certificates of Obligation's rating of "AAA". Fitch Ratings affirmed the Town's General Obligation Bonds and the Certificates of Obligation's rating of "AAA".

The Town is permitted by Article XI, Section 5, of the State of Texas Constitution to levy taxes up to $2.50 per $100 of assessed valuation for general governmental services including the

payment of principal and interest on general obligation long-term debt. The current ratio of tax-supported debt to assessed value of all taxable property is .28%.

Additional information on the Town's long-term debt can be found in Note 7 of this report.

Economic Factors and Next Year's Budgets and Rates

The budget for fiscal year 2024-2025 lowered the property tax rate from $.3873 to $.387278 per $100 valuation. The homestead exemption was increased from 12.5% to 15%.

The Town increased the base operating budget for the fiscal year 2024-2025 primarily by including non-discretionary and decision packages during the budget process. Non-discretionary packages contained a variety of one-time replacement and maintenance costs. Decision packages include equipment, 23.00 additional FTE positions, as well as, various improvements and renovations in facilities and infrastructure.

The Town Charter requires that 10.00% of the general fund budget be placed in reserves. The new budget includes an estimated 34.61% unassigned general fund balance.

Requests for Information

This financial report is designed to provide a general overview of the Town's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to Town of Flower Mound, Financial Services, 2121 Cross Timbers Road, Flower Mound, TX, 75028.

Town of Flower Mound, Texas
Statement of Net Position
September 30, 2024

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and cash equivalents	$ 74,706,372	$ 10,051,317	$ 84,757,689
Investments	75,397,482	13,523,384	88,920,866
Receivables (net of allowances for estimated uncollectibles):			
Ad valorem taxes	470,606	-	470,606
Other taxes	6,310,851	-	6,310,851
Unbilled services	-	3,076,499	3,076,499
Accounts	2,109,232	5,929,171	8,038,403
Accrued interest	709,384	-	709,384
Intergovernmental	111,281	-	111,281
Leases	1,097,873	-	1,097,873
Internal balances	(678,853)	678,853	-
Franchise fees	2,436,545	-	2,436,545
Prepaids	69,752	-	69,752
Inventory	1,096,755	695,152	1,791,907
Restricted:			
Cash and cash equivalents	-	57,015,408	57,015,408
Investments	-	7,371,218	7,371,218
Capital assets			
Land	45,132,925	4,419,755	49,552,680
Buildings	113,255,773	53,771,771	167,027,544
Distribution system	-	294,996,436	294,996,436
Equipment	39,545,503	4,870,330	44,415,833
Construction in progress	45,825,059	26,136,362	71,961,421
Improvements	54,350,060	-	54,350,060
Streets and bridges	481,280,657	-	481,280,657
Subscription right-of-use assets	2,208,202	73,238	2,281,440
Accumulated depreciation and amortization	(395,685,411)	(146,163,582)	(541,848,993)
Total Assets	549,750,048	336,445,312	886,195,360
DEFERRED OUTFLOW OF RESOURCES			
Deferred charges on refundings	78,444	-	78,444
Deferred outflows related to pensions	9,613,186	1,188,146	10,801,332
Deferred outflows related to OPEB	2,215,002	273,763	2,488,765
Total deferred outflow of resources	11,906,632	1,461,909	13,368,541
LIABILITIES			
Accounts payable	6,671,597	7,571,271	14,242,868
Estimated health claims	1,495,799	-	1,495,799
Salaries payable	1,157,247	95,532	1,252,779
Accrued interest payable	25,111	-	25,111
Retainage payable	524,511	881,652	1,406,163
Arbitrage payable	23,099	-	23,099
Unearned revenue	1,242,453	-	1,242,453
Meter deposits	-	536,300	536,300
Payables from restricted assets:			
Accrued bond interest	-	335,112	335,112
Accrued bond interest	149,225	-	149,225
Long-term liabilities:			
Due within one year	11,888,946	7,325,815	19,214,761
Due within more than one year	67,882,017	101,177,722	169,059,739
Total Liabilities	91,060,005	117,923,404	208,983,409
DEFERRED INFLOW OF RESOURCES			
Deferred gains on refundings	-	242,929	242,929
Deferred inflows related to pensions	350,157	43,278	393,435
Deferred inflows related to OPEB	1,016,277	125,606	1,141,883
Deferred inflows related to leases	1,124,685	-	1,124,685
Total deferred inflow of resources	2,491,119	411,813	2,902,932
NET POSITION			
Net investment in capital assets	342,979,690	166,460,940	509,440,630
Restricted for:			
Community services	1,677,550	-	1,677,550
Community development	24,387,655	-	24,387,655
Public safety-police	6,338,577	-	6,338,577
Public safety-fire	3,617,478	-	3,617,478
Streets	33,090,035	-	33,090,035
Parks	9,884,798	-	9,884,798
Debt service	157,159	-	157,159
Capital projects	-	25,697,321	25,697,321
Unrestricted	45,972,614	27,413,743	73,386,357
Total Net Position	$ 468,105,556	$ 219,572,004	$ 687,677,560

The notes to the financial statements are an integral part of this statement

Town of Flower Mound, Texas
Statement of Activities
For the Year Ended September 30, 2024

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions
Primary government:			
Governmental activities:			
Town manager's office	$ 4,561,125	$ -	$ -
Legislative services	591,258	16,431	-
Development services	2,902,741	1,742,190	-
Parks & recreation services	18,270,624	3,176,457	89,683
Library services	2,522,204	64,655	-
Police services	25,973,268	1,430,348	673,016
Financial services	6,552,397	1,245,507	-
Administrative services	9,072,858	-	-
Fire and emergency services	29,796,129	4,304,574	2,048,590
Communications	1,012,662	-	-
Public works	19,604,948	496,697	-
Environmental services	1,751,125	305,050	172,825
Interest on long-term debt	1,226,657	-	-
Total governmental activities	123,837,996	12,781,909	2,984,114
Business-type activities:			
Utilities-Stormwater	1,613,676	1,759,534	-
Utilities- Water and Wastewater	54,602,700	57,480,317	-
Total business-type activities	56,216,376	59,239,851	-
Total primary government	$ 180,054,372	$ 72,021,760	$ 2,984,114

General Revenues:
Property taxes
Sales taxes
Occupancy taxes
Franchise taxes
Alcoholic beverage taxes
Unrestricted investment earnings
Miscellaneous
Transfers
Total general revenues and transfers
Change in net position
Net position - beginning
Net position - ending

The notes to the financial statements are an integral part of this statement

Program Revenues	Net (Expense) Revenue and Changes in Net Position		
	Primary Government		
Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
$ -	$ (4,561,125)	$ -	$ (4,561,125)
-	(574,827)	-	(574,827)
-	(1,160,551)	-	(1,160,551)
1,059,085	(13,945,399)	-	(13,945,399)
-	(2,457,549)	-	(2,457,549)
-	(23,869,904)	-	(23,869,904)
-	(5,306,890)	-	(5,306,890)
-	(9,072,858)	-	(9,072,858)
-	(23,442,965)	-	(23,442,965)
-	(1,012,662)	-	(1,012,662)
5,552,519	(13,555,732)	-	(13,555,732)
-	(1,273,250)	-	(1,273,250)
-	(1,226,657)	-	(1,226,657)
6,611,604	(101,460,369)	-	(101,460,369)
-	-	145,858	145,858
1,973,035	-	4,850,652	4,850,652
1,973,035	-	4,996,510	4,996,510
$ 8,584,639	$ (101,460,369)	$ 4,996,510	$ (96,463,859)
	63,095,966	-	63,095,966
	37,844,425	-	37,844,425
	734,306	-	734,306
	6,980,835	-	6,980,835
	376,152	-	376,152
	8,868,651	3,931,834	12,800,485
	1,338,842	302,290	1,641,132
	2,327,040	(2,327,040)	-
	121,566,217	1,907,084	123,473,301
	20,105,848	6,903,594	27,009,442
	447,999,708	212,668,410	660,668,118
	$ 468,105,556	$ 219,572,004	$ 687,677,560

Town of Flower Mound, Texas
Balance Sheet
Governmental Funds
September 30, 2024

	General	Debt Service	General Capital Projects	TIRZ Fund	Other Governmental Funds	Total Governmental Funds
ASSETS						
Cash and cash equivalents	$ 13,009,221	$ 101,669	$ 21,889,795	$ 10,857,943	$ 20,750,257	$ 66,608,885
Investments	20,087,527	137,287	2,547,382	14,147,036	27,907,733	64,826,965
Receivables (net of allowances for estimated uncollectibles):						
Ad valorem taxes	403,026	67,580	-	-	-	470,606
Other taxes	3,162,636	-	-	-	3,148,215	6,310,851
Accounts	2,045,963	-	-	-	10,510	2,056,473
Accrued interest	646,485	127	62,772	-	-	709,384
Intergovernmental	-	-	11,861	-	99,420	111,281
Leases	1,097,873	-	-	-	-	1,097,873
Interfund	-	-	-	-	92,723	92,723
Franchise fees	2,412,580	-	-	-	23,965	2,436,545
Inventory	1,096,755	-	-	-	-	1,096,755
Prepaid items	69,752	-	-	-	-	69,752
Total Assets	$ 44,031,818	$ 306,663	$ 24,511,810	$ 25,004,979	$ 52,032,823	$ 145,888,093
LIABILITIES						
Accounts payable	$ 4,832,674	$ 279	$ 458,675	$ 330,124	$ 791,936	$ 6,413,688
Retainage payable	-	-	59,334	287,200	177,977	524,511
Arbitrage payable	-	-	23,099	-	-	23,099
Salaries payable	1,016,753	-	-	-	140,494	1,157,247
Interfund	-	-	-	-	92,723	92,723
Unearned revenue	2,000	-	-	-	1,240,453	1,242,453
Total Liabilities	5,851,427	279	541,108	617,324	2,443,583	9,453,721
DEFERRED INFLOWS OF RESOURCES:						
Unavailable revenue	2,424,175	95,189	11,681	-	-	2,531,045
Deferred inflows related to leases	1,124,685	-	-	-	-	1,124,685
Total deferred inflows of resources	3,548,860	95,189	11,681	-	-	3,655,730
FUND BALANCES						
Nonspendable for:						
Prepaids	69,752	-	-	-	-	69,752
Inventory	1,096,755	-	-	-	-	1,096,755
Restricted for:						
Community services	-	-	-	-	1,677,550	1,677,550
Community development	-	-	-	24,387,655	-	24,387,655
Public safety-police	-	-	-	-	6,338,577	6,338,577
Public safety-fire	-	-	-	-	3,617,478	3,617,478
Streets	-	-	18,103,764	-	18,402,206	36,505,970
Parks	-	-	218	-	9,884,798	9,885,016
Facilities	-	-	75,129	-	-	75,129
Debt service	-	211,195	-	-	-	211,195
Committed for:						
Community services	-	-	-	-	2,529,061	2,529,061
Public safety-police	-	-	-	-	402,428	402,428
Parks	-	-	-	-	6,737,142	6,737,142
Capital projects	-	-	5,779,910	-	-	5,779,910
Unassigned	33,465,024	-	-	-	-	33,465,024
Total Fund Balance	34,631,531	211,195	23,959,021	24,387,655	49,589,240	132,778,642
Total liabilities, deferred inflows of resources and fund balances	$ 44,031,818	$ 306,663	$ 24,511,810	$ 25,004,979	$ 52,032,823	$ 145,888,093

The notes to the financial statements are an integral part of this statement

Town of Flower Mound, Texas
Reconciliation of the Balance Sheet of Governmental
Funds to the Statement of Net Position
As of September 30, 2024

Total fund balances - governmental funds	$ 132,778,642
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in governmental funds. Capital assets are reported in the government-wide financial statements, net of accumulated depreciation and amortization.	385,912,768
Certain receivables will be collected next year but are not available soon enough to pay for the current period's expenditures and therefore are reported as unavailable revenues in the funds.	
Taxes	704,903
Franchise fees	1,050,568
Ambulance fees	222,718
Municipal court fees	133,848
Community activity center services	407,327
Grants and other governmental	11,681
Two internal service funds are used by the Town's management. The assets and liabilities of the internal service fund are included with governmental activities, net of internal balances of ($678,853).	16,282,060
Deferred outflows (inflows) of resources are not reported in the governmental funds:	
Deferred charges on refundings	78,444
Pension contributions after measurement date	4,121,842
Pension difference in actual experience and actuarial assumptions	1,567,807
Pension investment income	3,890,697
Pension assumption losses (gains)	(317,317)
OPEB contributions after measurement date	98,007
OPEB difference in actual experience and actuarial assumptions	437,511
OPEB assumption losses	663,207
Certain assets and liabilities are accrued in the government-wide statements. However, they are not accrued in the governmental fund statements.	
Accrued interest on the bonds	(149,225)
Accrued interest on subscription right-of use	(18,969)
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds. Long-term liabilities at year-end consist of:	
Bonds payable	(10,670,000)
Certificates of obligation payable	(30,200,000)
Bond premium/discounts	(3,910,430)
Net pension liability	(21,732,228)
Compensated absences	(6,258,413)
OPEB liability	(5,802,029)
Subscription liability	(1,197,863)
Net position of governmental activities	$ 468,105,556

The notes to the financial statements are an integral part of this statement

Town of Flower Mound, Texas
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ended September 30, 2024

	General	Debt Service	General Capital Projects	TIRZ Fund	Other Governmental Funds	Total Governmental Funds
REVENUES						
Taxes:						
Ad valorem	$ 48,784,086	$ 5,446,722	$ -	$ 8,619,948	$ -	$ 62,850,756
Sales	18,975,883	-	-	-	18,868,542	37,844,425
Franchise	6,923,541	-	-	-	103,965	7,027,506
Alcoholic beverage	376,152	-	-	-	-	376,152
Hotel occupancy	-	-	-	-	734,306	734,306
Licenses, permits and fees	2,135,426	-	-	-	172,825	2,308,251
Intergovernmental	3,942,801	-	2,187,428	591,725	2,719,696	9,441,650
Impact fees	-	-	839,379	-	-	839,379
Charges for services	5,412,819	-	-	-	99,760	5,512,579
Fines and forfeits	1,207,485	-	-	-	698,279	1,905,764
Investment earnings	2,676,579	107,794	1,373,973	1,170,112	2,534,315	7,862,773
Memorials and contributions	2,450	-	-	-	98,913	101,363
Other revenue	1,052,481	-	70,000	-	357,931	1,480,412
Total Revenues	91,489,703	5,554,516	4,470,780	10,381,785	26,388,532	138,285,316
EXPENDITURES						
Current						
Town manager's office	12,069,488	-	-	-	-	12,069,488
Legislative services	594,514	-	-	-	-	594,514
Development services	2,924,862	-	-	-	-	2,924,862
Parks & recreation services	11,162,524	-	-	-	5,715,747	16,878,271
Library services	2,434,141	-	-	-	137,210	2,571,351
Police services	23,765,122	-	-	-	4,452,076	28,217,198
Financial services	4,862,234	-	-	-	146,421	5,008,655
Administrative services	9,940,529	-	-	-	18,571	9,959,100
Fire and emergency services	25,191,038	-	-	-	4,154,799	29,345,837
Communications	915,671	-	-	-	87,350	1,003,021
Public works	7,666,155	-	-	3,592,195	3,931,492	15,189,842
Environmental services	1,762,870	-	-	-	6,689	1,769,559
Debt service	-	6,399,595	-	2,638,750	-	9,038,345
Capital projects	-	-	7,899,456	-	-	7,899,456
Total Expenditures	103,289,148	6,399,595	7,899,456	6,230,945	18,650,355	142,469,499
Excess (deficiency) of revenues over (under) expenditures	(11,799,445)	(845,079)	(3,428,676)	4,150,840	7,738,177	(4,184,183)
OTHER FINANCING SOURCES (USES)						
Issuance of general debt obligation	-	-	385,000	-	-	385,000
Refunded bonds issued	-	1,955,000	-	-	-	1,955,000
Premium on bonds	-	19,511	22,698	-	-	42,209
Payment to escrow	-	(1,978,800)	-	-	-	(1,978,800)
Subscription financing	1,372,169	-	-	-	-	1,372,169
Transfers in	3,729,522	270,200	633,500	-	34,068	4,667,290
Transfers out	(604,544)	-	-	(400,000)	(1,198,009)	(2,202,553)
Total other financing sources and uses	4,497,147	265,911	1,041,198	(400,000)	(1,163,941)	4,240,315
Net change in fund balances	(7,302,298)	(579,168)	(2,387,478)	3,750,840	6,574,236	56,132
Fund balances - beginning, as previously reported	41,933,829	790,363	26,346,499	-	63,651,819	132,722,510
Adjustments (Note 15)	-	-	-	20,636,815	(20,636,815)	-
Fund balances - beginning, as restated	41,933,829	790,363	26,346,499	20,636,815	43,015,004	132,722,510
Fund balances - ending	$ 34,631,531	$ 211,195	$ 23,959,021	$ 24,387,655	$ 49,589,240	$ 132,778,642

The notes to the financial statements are an integral part of this statement

Reconciliation of the Statement of Revenues,
Expenditures, and Changes in Fund Balances of Governmental Funds
to the Statement of Activities
For the Year Ended September 30, 2024

Net change in fund balances - total governmental funds	$	56,132
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlays as expenditures and do not reflect sales or transfers of capital assets. However, in the statement of activities the cost of those assets are allocated over their estimated useful lives and reported as depreciation and amortization expense and gains and losses are recognized as they occur. (Additions of $33,164,628 and loss on disposals and transfers of $1,085,029.)		32,079,599
Governmental funds do not recognize assets contributed by developers. However, in the statement of activities the acquisition value of those assets are recognized as revenue, then allocated over their estimated useful lives and reported as depreciation expense.		2,240,285
Depreciation and amortization expense on capital assets is reported in the government-wide statement of activities and changes in net position, but they do not require the use of current financial resources. Therefore, depreciation and amortization expense is not reported as expenditures in the governmental funds.		(19,524,050)
The issuance of long term debt (i.e. bonds) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas the amounts are deferred and amortized in the statement of activities. This amount (bond proceeds of $2,340,000 less repayments of $9,050,000, plus amortization of deferred loss of $211,584, less discount of $887,870) is the net effect of these differences in the treatment of long-term debt and related items.		7,386,286
Current year changes in the long term liability for compensated absences do not require the use of current financial resources; therefore, are not reported as expenditures in governmental funds.		(547,664)
Current year changes in the long term liability and related outflows (inflows) for pensions do not require the use of current financial resources; therefore, are not reported as expenditures in governmental funds.		(266,610)
Current year changes in the long term liability and related outflows (inflows) for OPEB payables do not require the use of current financials resources; therefore, are not reported as expenditures in governmental funds.		(772,515)
Current year changes in accrued interest payable do not require the use of current financial resources; therefore, are not reported as expenditures in governmental funds.		21,993
Certain revenues in the government-wide statement of activities that do not provide current financial resources are not reported as revenue in the governmental funds.		(713,351)
Internal service funds are used by management to share the costs of certain activities, such as the purchase of insurance and vehicle and equipment replacements to individual funds. The net revenue (expense) of certain internal service funds is reported with governmental activities, net of the amount allocated to business-type activities ($229,148).		145,743
Change in net position of governmental activities	$	20,105,848

The notes to the financial statements are an integral part of this statement

Town of Flower Mound, Texas
Statement of Net Position
Proprietary Funds
September 30, 2024

	Business-type Activities Enterprise Funds	Governmental Activities- Internal Service Funds
ASSETS		
Current assets:		
Cash and cash equivalents	$ 10,051,317	$ 8,097,487
Investments	13,523,384	10,570,517
Receivables (net of allowances for estimated uncollectibles):		
Accounts	5,929,171	52,759
Unbilled services	3,076,499	-
Inventories, at cost	695,152	-
Restricted:		
Cash and cash equivalents	57,015,408	-
Investments	7,371,218	-
Total current assets	97,662,149	18,720,763
Capital assets:		
Land	4,419,755	-
Buildings	53,771,771	-
Distribution system	294,996,436	-
Equipment	4,870,330	-
Construction in progress	26,136,362	-
Subscription right-of-use assets	73,238	-
Accumulated depreciation and amortization	(146,163,582)	-
Total capital assets(net of accumulated depreciation and amortization)	238,104,310	-
Total noncurrent assets	238,104,310	-
Total Assets	335,766,459	18,720,763
DEFERRED OUTFLOW OF RESOURCES		
Deferred outflows related to pensions	1,188,146	-
Deferred outflows related to OPEB	273,763	-
Total deferred outflows of resources	1,461,909	-
LIABILITIES		
Current liabilities:		
Accounts payable	7,571,271	264,051
Estimated health claims	-	1,495,799
Meter deposits	536,300	-
Salaries payable	95,532	-
Accrued bond interest	335,112	-
Current portion of OPEB liability	30,364	-
Retainage payable	881,652	-
Total current liabilities	9,450,231	1,759,850
Current liabilities payable from restricted assets:		
Current portion of accrued leave benefits	163,430	-
Current portion of contractual obligations	4,696,974	-
Current portion of general obligations	2,435,047	-
Total current liabilities payable from restricted assets	7,295,451	-
Total current liabilities	16,745,682	1,759,850
Noncurrent liabilities		
Accrued leave benefits	383,853	-
Net pension liability	2,686,005	-
OPEB liability	686,741	-
Contractual obligations	84,649,441	-
General obligation bonds	12,771,682	-
Total noncurrent liabilities	101,177,722	-
Total Liabilities	117,923,404	1,759,850
DEFERRED INFLOW OF RESOURCES		
Deferred gains on refundings	242,929	-
Deferred inflows related to pensions	43,278	-
Deferred inflows related to OPEB	125,606	-
Total deferred inflows of resources	411,813	-
NET POSITION		
Net investment in capital assets	166,460,940	-
Restricted for capital projects	25,697,321	-
Unrestricted	26,734,890	16,960,913
Total Net Position	$ 218,893,151	$ 16,960,913

The notes to the financial statements are an integral part of this statement

Town of Flower Mound, Texas
Reconciliation of the Enterprise Fund Statement of Net Position
to the Government-wide Statement of Net Position
As of September 30, 2024

Total net position- enterprise fund	$ 218,893,151
Amounts reported for business-type activities in the statement of net position are different because:	
Internal service funds are used by management to charge the costs of health insurance and replacement of vehicles and equipment to individual funds. The net position of certain internal service funds is reported with business-type activities.	678,853
Total net position- business-type activities	$ 219,572,004

The notes to the financial statements are an integral part of this statement

Town of Flower Mound, Texas
Statement of Revenues, Expenses, and Changes in Fund Net Position
Proprietary Funds
For the Year Ended September 30, 2024

	Business-type Activities Enterprise Funds	Governmental Activities Internal Service Funds
Operating revenues:		
Charges for services	$ 58,779,685	$ 21,281,109
Penalties, fines and forfeits	460,166	-
Other	302,290	231,072
Total operating revenue	59,542,141	21,512,181
Operating expenses:		
Administration	7,999,651	-
Maintenance and operations	34,614,783	5,642,512
Depreciation and amortization	10,128,186	-
Health insurance and flexible benefits	-	16,359,810
Total operating expenses	52,742,620	22,002,322
Operating income	6,799,521	(490,141)
Nonoperating revenues (expenses):		
Interest income	3,931,834	1,005,878
Interest expense	(3,706,053)	-
Total nonoperating revenue (expenses)	225,781	1,005,878
Income before contributions and transfers	7,025,302	515,737
Contributions-developers	1,257,057	-
Contributions-impact fees	715,978	-
Transfers in	1,102,482	-
Transfers out	(3,429,522)	(137,697)
Change in net position	6,671,297	378,040
Total net position - beginning	212,221,854	16,582,873
Total net position - ending	$ 218,893,151	$ 16,960,913

The notes to the financial statements are an integral part of this statement

Town of Flower Mound, Texas
Reconciliation of the Statement of Revenues, Expenses, and Changes in Fund Net Position of Enterprise Funds to the Statement of Activities
For the Year Ended September 30, 2024

Net change in fund net position- enterprise funds	$	6,671,297
Amounts reported for business-type activities in the statement of activities are different because:		
Internal service funds are used by management to charge the costs of health insurance and replacement of vehicles and equipment to individual funds. The net revenue of certain internal service funds is reported with governmental activites. The amount shown represents the net revenue allocated to business-type activities.		232,297
Change in net position of business-type activities	$	6,903,594

The notes to the financial statements are an integral part of this statement

Town of Flower Mound, Texas
Statement of Cash Flows
Proprietary Funds
For the Year Ended September 30, 2024

	Business-type Activities Enterprise Funds	Governmental Activities- Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers and users	$ 59,762,690	$ -
Cash received from transactions with other funds	-	21,597,119
Cash paid to employees for services	(8,876,647)	-
Cash paid for goods and services	(29,918,424)	(11,402,791)
Cash paid for claims	-	(10,556,441)
Net cash provided (used) by operating activities	20,967,619	(362,113)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Transfers from other funds	-	-
Transfers to other funds	(3,429,522)	(137,697)
Net cash provided (used) by noncapital financing activities	(3,429,522)	(137,697)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Principal payment on bonds payable and certificates of obligation	(6,305,000)	-
Interest and fiscal charges	(4,318,892)	-
Proceeds from issuance of debt	7,337,815	-
Proceeds from impact fees	715,978	-
Bond issuance costs paid	(128,022)	-
Purchase of capital assets	(18,840,790)	-
Net cash provided (used) by capital and related financing activities	(21,538,911)	-
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sale and maturities of investment securities	13,743,444	-
Purchase of investment securities	(9,792,188)	(1,742,445)
Interest received	3,931,834	1,005,878
Net cash provided (used) by investing activities	7,883,090	(736,567)
Net increase (decrease) in cash and cash equivalents	3,882,276	(1,236,377)
Cash and cash equivalents, October 1	63,184,449	9,333,864
Cash and cash equivalents, September 30	$ 67,066,725	$ 8,097,487
Reconciliation of operating income to net cash provided (used) by operating activities:		
Operating income (loss)	$ 6,799,521	$ (490,141)
Adjustments to reconcile operating income to net cash provided (used) by operating activities:		
Depreciation	10,128,186	-
Change in assets and liabilities		
Decrease (Increase) in trade receivables	350,412	(52,759)
Decrease (Increase) in prepaids	375	-
Decrease (Increase) in unbilled receivables	(168,660)	-
Decrease (Increase) in inventory	27,158	-
Increase (Decrease) in deposits payable	11,264	-
Increase (Decrease) in pension liability	(135,041)	-
Increase (Decrease) in OPEB payable	(85,956)	-
Increase (Decrease) in accounts payable and accrued liabilities	4,040,360	180,787
Total adjustments	14,168,098	128,028
Net cash provided (used) by operating activities	$ 20,967,619	$ (362,113)
Noncash investing, capital, and financing activities:		
Contributions of capital assets from developers	$ 1,257,057	$ -
Long-term debt refunding	255,000	-
Transfer of capital assets from other funds	1,102,482	-
Capital related retainage payable	881,652	

The notes to the financial statements are an integral part of this statement

Town of Flower Mound, Texas
Statement of Fiduciary Net Position
Fiduciary Fund
September 30, 2024

	Custodial Fund
	River Walk Public Improvement District Number 1
ASSETS	
Cash and cash equivalents	$ -
Total Assets	-
LIABILITIES	
Due to debt holders	-
Total Liabilities	-
NET POSITION	
Restricted for CADG Riverwalk LLC	-
Total Net Position	$ -

The notes to the financial statements are an integral part of this statement

Town of Flower Mound, Texas
Statement of Changes in Net Position
Fiduciary Fund
For the Year Ended September 30, 2024

	Custodial Fund
	River Walk Public Improvement District Number 1
ADDITIONS	
Interest income	$ 118,104
Total Additions	118,104
DEDUCTIONS	
Disbursements to escrow holder	2,305,846
Total Deductions	2,305,846
Change in net position	(2,187,742)
Net position - beginning	2,187,742
Net position - ending	$ -

The notes to the financial statements are an integral part of this statement

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The Town of Flower Mound is a municipal corporation governed by an elected mayor and five-member council. The accompanying financial statements present the government and its component units, entities for which the government is considered to be financially accountable. The accounting and reporting policies of the Town conform to generally accepted accounting principles (GAAP) as prescribed by the Governmental Accounting Standards Board.

Component units are organizations for which the Town is financially accountable and all other organizations for which the nature and significance of their relationship with the Town are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. Blended component units, although legally separate entities, are, in substance, part of the government's operations. Based on these criteria, the financial information of the Flower Mound's Community Development Corporation has been blended with the Town's financial statements.

Blended Component Unit – Flower Mound's Community Development Corporation is a non-profit corporation that serves the citizens of the Town by improving municipal parks and recreational facilities through land acquisition and the development of parks. The Corporation is organized exclusively for the purposes of benefiting and accomplishing public purposes of, and to act on behalf of, the Town of Flower Mound, and the specific purposes for which the Corporation is organized, and with Town Council approval, may issue bonds on behalf of the Town and expend the proceeds of any sales and use tax levied for projects authorized by Section 4B of Article 5190.6 of the Texas Revised Civil Statutes, as amended, for land, building, equipment, facilities, and improvements required or suitable for use for public park purposes and events, including parks and park facilities, and the maintenance and operation expenses for any of the above described projects.

Because the Community Development Corporation (CDC) functions as an integral part of the Town, the finances of the CDC have been blended into the financial statements of the Town in the Other Governmental Funds category and reported as a Special Revenue Fund, 4B Parks-Sales Tax Fund. A financial benefit or burden relationship between the CDC and the Town exists and the Town Council maintains control over the CDC.

B. Government-wide and Fund Financial Statements

The government-wide financial statements are comprised of the Statement of Net Position and the Statement of Activities. They contain information on all activities of the Town and its component units. As a general rule, most effects of inter-fund activity have been removed from these statements. Exceptions to this general rule are charges between the Town's utility function and various other functions of the Town and charges of the internal service funds to the enterprise fund. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately

from business-type activities, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function/program are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or function/program. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function/program; 2) operating grants and contributions that are restricted to meeting the operational or capital requirements of a particular function/program; 3) capital grants and contributions, including special assessments. Taxes and internally dedicated resources are reported as general revenues rather than as program revenues.

Separate financial statements are provided for governmental funds, proprietary funds and fiduciary funds. Fiduciary funds, however, are not included in the totals for the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The governmental, proprietary and fiduciary fund statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue, as soon as, all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized, as soon as, they are both measurable and available. Revenues are considered measurable when the amount of the transaction can be determined and available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Town considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as, expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Revenues susceptible to accrual are property taxes, franchise fees, licenses, interest income and intergovernmental revenues. Sales taxes collected and held by the state at year-end on behalf of the government are also recognized as revenue. All other revenue items are considered to be measurable and available only when cash is received by the Town.

The Town reports the following major governmental funds:

General Fund – The General Fund is the general operating fund of the Town. It is used to account for all financial resources except those required to be accounted for in another fund.

Debt Service Fund – The Debt Service Fund accounts for the accumulation of financial resources for the payment of principal and interest on long-term general obligation debt of governmental funds.

General Capital Projects Fund – The General Capital Projects Fund is used to account for the acquisition and construction of major capital facilities other than those financed by proprietary funds.

Tax Increment Reinvestment Zone (TIRZ) Fund – The TIRZ Fund accounts for financial resources and expenditures relating to the reinvestment zone.

The Town reports the following non-major governmental funds:

Special Revenue Funds – The Town's Special Revenue Funds are used to account for revenue sources that are designated to finance particular functions or activities or are legally restricted to expenditures for specified purposes, as follows:

- *Library Development Fund* – accounts for all monetary donations made to the Flower Mound Public Library.
- *Park Development Fund* – accounts for all monetary contributions and payments to the Town by developers in lieu of the dedication of actual park land.
- *Tree Preservation Fund* – accounts for funds donated to and used by the Town to provide or support supplemental landscape plantings in public areas and enforce tree preservation regulations.
- *Public Education Government (PEG) Fund* – accounts for revenues derived from cable providers in Flower Mound per Section 66-006 of the Texas Utilities Code.
- *Street Maintenance-Sales Tax Fund* – accounts for revenues collected from dedicated sales tax approved by the voters for one-fourth of one percent. Funds are expended on reconstruction or rehabilitation of street projects.
- *Parks 4B-Sales Tax Fund* – accounts for revenues collected from dedicated sales tax approved by the voters for one-fourth of one percent. Funds are used for park and recreation improvements.
- *Crime District-Sales Tax Fund* – accounts for revenues collected from dedicated sales tax approved by the voters for one-fourth of one percent. Funds are used to staff two police beats with staff, equipment and vehicles.
- *Fire District-Sales Tax Fund* – accounts for revenues collected from dedicated sales tax approved by the voters for one-fourth of one percent. Funds are used to staff two fire stations with personnel and equipment.
- *Flower Mound Log Cabin Fund* – accounts for donations and expenditures related to the restoration, maintenance, or repair of the cabin site and/or exhibits.
- *Police Seizure Fund* – accounts for funds received under the Controlled Substances Act of the State of Texas with expenditures restricted to use solely in the investigation of any alleged violations of the criminal laws of the state and donations for the same purpose.

- *IRS Equitable Sharing Fund* – accounts for funds received for participating with the IRS task force on criminal investigations and asset forfeitures of illegal activities in the North Texas area.

- *Justice Seizures Fund* – accounts for funds received from the DEA, the DOJ, the US Federal Marshal's office, etc.

- *Chapter 59 Seizures Fund* – accounts for funds that are being pursued in the state-level courts and are held until they are awarded as forfeiture or denied.

- *Animal Care Fund* – accounts for funds received by donation to be used for the care of animals at the animal adoption center.

- *Opioid Settlements Fund* – accounts for revenues derived from the State of Texas from opioid settlement funds.

- *CDBG-HUD Grant Fund* – accounts for revenues derived from the Department of Housing and Urban Development for a Community Development Block Grant and funds are expended for grant related purposes.

- *Grants Fund* – accounts for revenues derived from various granting agencies. The funds are expended for grant related purposes.

- *Neighborhood Improvement Fund* – promotes reinvestment in neighborhoods to maintain property values though a town-sponsored repair and replacement program.

- *COVID-19 Fund* – accounts for revenues received from various granting agencies. The funds are expended for COVID-19 purposes.

- *Hotel Occupancy Tax Fund* – accounts for the accumulation of resources from the Hotel/Motel tax assessment levied by the Town. These monies are to be spent to promote the progress, development or growth of the Town within the guidelines set forth on the Texas Hotel Occupancy Tax Act.

- *Municipal Court Security Fund* – accounts for municipal court fees assessed to provide for court security.

- *Municipal Court Technology Fund* – accounts for municipal court fees assessed to finance the purchase of technological enhancements for municipal court.

- *Municipal Court Jury Fund* – accounts for municipal court fees assessed to finance jury services.

- *Municipal Court Local Youth Diversion Fund* – accounts for municipal court fees assessed to finance expenditures related to juvenile case manager.

The Town reports the following proprietary funds:

Enterprise Fund – The Town's Enterprise Fund is accounted for using the economic resources measurement focus and the accrual basis of accounting. The accounting objectives are determination of net income, financial position and cash flow. All assets and liabilities are included on the Statement of Net Position. Activities of the fund include administration, operations and maintenance of the water, wastewater, and stormwater drainage systems and billing and collection activities. The fund also accounts for the accumulation of resources for, and the payment of, long-term debt principal and interest for water and wastewater debt. All costs are financed through charges to utility customers with rates reviewed regularly and adjusted, if necessary, to ensure integrity of the fund.

Internal Service Funds – The Town's Internal Service Funds are used to account for the financing of goods or services provided by one department to other departments within the Town.

- *Health Insurance and Flexible Benefit Fund* – accounts for revenues from premium charges to the departments and employee contributions for individual and dependent coverage in which expenses include claim payments, administrative costs, and reinsurance premiums for the health, dental and eye programs.

- *Vehicle, Equipment and Technology Replacement Fund* – accounts for the purchase of vehicles and equipment operated by the Town in which the departments pay monthly amounts to provide funds for future replacement capital outlay.

Additionally, the Town reports the following fiduciary fund:

Fiduciary Funds – The Town's Fiduciary Funds are used to account for resources held by the Town for the benefit of outside entities. Since these resources cannot be used to support the operations of the Town, they are not shown in the government-wide financial statements.

- *River Walk Public Improvement District Number 1* – accounts for a portion of the developer's funds, with interest, held by the Town as custodian for the Public Improvement District, until amenities specified in the agreement are completed by the developer within the given timeline.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the proprietary funds are charges to customers for sales and services. The Town also recognizes as operating revenue the portion of tap fees intended to recover the cost of connecting new customers to the system. Operating expenses for proprietary funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the Town's policy to use restricted resources first, then unrestricted resources as they are needed.

D. Cash, Cash Equivalents and Investments

The Town's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition. The Town's investment in pools is reported at the net asset value per share (which approximates fair value) even though it is calculated using the amortized cost method.

The Town pools cash from all funds for the purpose of increasing income through coordinated investment activities. Interest earnings are allocated to the respective funds based upon each fund's relative balance in the pool. An individual fund's equity in the pooled cash accounts is available upon demand and are considered to be "cash equivalents" when preparing these financial statements. Negative balances incurred in pooled cash at year-end are treated as interfund receivables of the General Fund and interfund payables of the deficit fund.

E. Receivables and Payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as "due to/from other funds" or "advances to/from other funds." Any residual balances between governmental activities and business-type activities are reported in the government-wide statements as "internal balances."

Trade and property tax receivables are shown net of an allowance for uncollectibles.

F. Property taxes

Property taxes attach as an enforceable lien on property located in the Town as of January 1. Taxes are levied on October 1 and are due and payable on or before January 31 of the following year. The Denton County Tax Assessor/Collector's office bills and collects the Town's property taxes.

The statutes of the State of Texas do not prescribe a legal limit. However, Article XI, Section 5 of the Texas Constitution, applicable to cities of more than 5,000 population, limits the ad valorem tax rate to $2.50 per $100 assessed valuation. For the fiscal year ended September 30, 2024, the Town had a tax margin of $2.1127 per $100 assessed valuation based upon the maximum rates described above.

G. Inventories

Inventories are accounted for by the consumption method. They are valued at weighted average cost and consist of automotive equipment, postage, meters and settings and gasoline purchased by the Town to use in its automobiles. The cost of the inventories is recorded as an expense when consumed rather than when purchased.

H. Prepaid Items

Prepaid balances are for payments made by the Town in the current year to provide services occurring in the subsequent fiscal year. The purchasing method is used to account for prepaids.

I. Restricted Assets

Certain proceeds of Enterprise Fund revenue bonds and other amounts designated for capital improvements, as well as, certain resources set aside for their repayment, are classified as restricted assets on the statement of net position because their use is limited by applicable bond covenants.

J. Capital Assets

Capital assets, which include property, plant, equipment and infrastructure assets (e.g., roads, bridges, sidewalks and similar items), are reported in applicable governmental or business-type activities columns in the government-wide financial statements and in the fund financial statements for proprietary funds. The Town defines capital assets as assets with an initial individual cost of $5,000 or more and an estimated useful life in excess of two years. Such assets are recorded at historical cost, or estimated historical cost, if purchased or constructed. Donated capital assets are recorded at acquisition value, which is the price that would be paid to acquire an asset with equivalent service potential at the acquisition date. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed.

Capital assets are depreciated using the straight-line method over the following useful lives:

Assets	Years
Buildings & Structures	20-45 years
Improvements other than Buildings	20-45 years
Utility Improvements	45 years
Vehicles	2-20 years
Machinery & Equipment	7-15 years
Furniture & Office Equipment	3-15 years
Bridges	45 years
Streets	20 years
Signals	10 years

Subscription capital assets are amortized using the straight-line method over the shorter of the subscription term or the useful life of the underlying information technology asset.

K. Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about

the Fiduciary Net Position of the Texas Municipal Retirement System (TMRS) and additions to/deductions from TMRS's Fiduciary Net Position have been determined on the same basis as reported by TMRS. For this purpose, plan contributions are recognized in the period that compensation is reported for the employee, which is when contributions are legally due. Benefit payments and refunds are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value. Information regarding the Town's total pension liability is obtained from TMRS through a report prepared for the Town by TMRS consulting actuary, Gabriel Roeder Smith & Company, in compliance with Governmental Accounting Standards Board (GASB) Statement No. 68, Accounting and Financial Reporting for Pensions.

L. Compensated Absences

It is the Town's policy to permit employees to accumulate certain earned but unused vacation, holiday time, comp time, and sick pay benefits. Upon retirement of employment, as defined by the Texas Municipal Retirement System, an employee who has completed a minimum of ten (10) years of continuous service with the Town, shall be eligible for pay for one-half (½) of accumulated sick leave, or three hundred and sixty (360) hours, whichever is less. All vacation pay, holiday time and comp time is accrued when incurred in the government-wide and proprietary fund financial statements.

M. Long-term Obligations

In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line interest method. Bonds payable are reported net of applicable bond premium or discount. Long-term liabilities and assets resulting from initiation of subscription-based information technology arrangements are reported in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, bond issuance costs, and subscription-based information technology arrangements during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

N. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position reports a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represent a consumption of net assets that applies to future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. For detail of deferred outflows see Note 6.

In addition to liabilities, the statement of net position reports a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net assets that applies to a future period(s) and so

will not be recognized as an inflow of resources (revenue) until that time. For detail of deferred inflows see Note 6.

O. Other Post-Employment Benefits

For purposes of measuring the total Texas Municipal Retirement System Supplemental Death Benefit Fund (TMRS SDBF) OPEB liability, related deferred outflows and inflows of resources, and expense, Town specific information about its total TMRS SDBF liability and additions to/deductions from the Town's total TMRS SDBF liability have been determined on the same basis as reported by TMRS. The TMRS SDBF expense and deferred (inflows)/outflows of resources related to TMRS SDBF, primarily result from changes in the components of the total TMRS SDBF liability. Most changes in the total TMRS SDBF liability will be included in TMRS SDBF expense in the period of the change. For example, changes in the total TMRS SDBF liability resulting from current-period service cost, interest on the total OPEB liability (TOL), and changes of benefit terms are required to be included in TMRS SDBF expense immediately. Changes in the total TMRS SDBF liability that have not been included in TMRS SDBF expense are required to be reported as deferred outflows of resources or deferred inflows of resources related to TMRS SDBF.

For purposes of measuring the total Retiree Health Care Plan OPEB liability as administered by the Town, related deferred outflows and inflows of resources, and expense, Town specific information about its total Retiree Health Care Plan liability and additions to/deductions from that liability have been determined on the same basis as reported by the Town. The expense and deferred (inflows)/outflows of resources related to are primarily the result from changes in the components of the total liability. Most changes in the total liability will be included in expense in the period of the change. For example, changes in the total liability resulting from current-period service cost, interest on the TOL, and changes of benefit terms are required to be included in the expense immediately. Changes in the total liability that have not been included in the expense are required to be reported as deferred outflows of resources or deferred inflows of resources related to Retiree Health Care Plan.

P. Net Position Flow Assumption

Sometimes the Town will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted – net position and unrestricted – net position in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the Town's policy to consider restricted – net position to have been depleted before unrestricted – net position is applied.

Q. Fund Balance Flow Assumptions

Sometimes the Town will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements a flow assumption must be made about the order in which the resources are considered to be applied. It is the Town's policy to

consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

R. Fund Equity

In the fund financial statements, governmental funds report aggregate amounts for five classifications of fund balances based on the constraints imposed on the use of these resources. Fund balances classified as committed can only be used for specific purposes pursuant to constraints imposed by the Town Council through an ordinance or resolution. The non-spendable fund balance classification includes amounts that cannot be spent because they are either (a) not in spendable form – prepaid items or inventories; or (b) legally or contractually required to be maintained intact.

The spendable portion of the fund balance comprises the remaining four classifications: restricted, committed, assigned, and unassigned.

Restricted fund balance. This classification reflects the constraints imposed on resources either (a) externally by creditors, grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.

Committed fund balance. These amounts can only be used for specific purposes pursuant to constraints imposed by ordinances of the Town Council – the government's highest level of decision-making authority. Those committed amounts cannot be used for any other purpose unless the Town Council removes the specified use by taking the same type of action imposing the commitment. This classification also includes contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

Assigned fund balance. This classification reflects the amounts constrained by the Town's intent to be used for specific purposes but are neither restricted nor committed. The Town Council has the authority to assign amounts to be used for specific purposes.

Unassigned fund balance. This fund balance is the residual classification for the General Fund. It is also used to report negative fund balances in other governmental funds.

For the classification of Governmental Fund balances, the Town considers an expenditure to be made from the most restrictive first when more than one classification is available.

The Town Charter requires that 10 percent of the general and utility fund budget be placed in reserves to be used in case of unforeseen items of expenditure. The reserve is under the control of the Town Manager and distributed after approval of the Town Council.

2. CASH AND INVESTMENTS

In order to facilitate effective cash management practices, the cash of all funds is pooled into common accounts for the purpose of increasing income through combined investment activities.

At year-end, the carrying amount of the Town's deposits was ($1,533,317) and the bank balance was $1,671,633. Collateral is required for all of the Town's deposits and shall be secured by pledged collateral with a fair value of no less than 103 percent of the principal, plus accrued interest, less an amount insured by federal deposit insurance. The Town authorized that collateral be in the form of U.S. Treasury obligations (fully and unconditionally guaranteed as to principal and interest by the full faith and credit of the United States), obligations of the Federal Home Loan Bank, Federal Home Loan Mortgage Corporation, Federal National Mortgage Association or a Federal Home Loan Bank letter of credit and FDIC coverage. Bank deposits are fully insured, or collateralized, with securities held by the Town's agent in the Town's name. The Town had $143,564,589 invested in public funds investment pools included in this report as cash and cash equivalents.

Public funds investment pools in Texas ("Pools") are established under the authority of the Interlocal Cooperation Act, Chapter 79 of the Texas Government Code, and are subject to the provisions of the Public Funds Investment Act (the "Act"), Chapter 2256 of the Texas Government Code. In addition to other provisions of the Act designed to promote liquidity and safety of principal, the Act requires Pools to: 1) have an advisory board composed of participants in the pool and other persons who do not have a business relationship with the pool and are qualified to advise the pool; 2) maintain a continuous rating of no lower than AAA or AAA-m, or an equivalent rating by at least one nationally recognized rating service; and 3) maintain the fair value of its underlying investment portfolio within one-half of one percent of the value of its shares.

The Town deposits collections from all sources in interest bearing accounts established for each fund. Excess cash may be invested in obligations of the U.S. Treasury, U.S. Agencies, fully collateralized repurchase agreements, eligible municipal investment pools, no-load money market funds (regulated by the Securities and Exchange Commission) and certificates of deposit. The Town's Investment Policy, which is governed by state statutes and Town resolution, authorizes the investment instruments previously listed. The investments reported at September 30, 2024, were similar to those held during the fiscal year.

The Town has adopted the provisions of GASB Statement No. 31, "Accounting and Financial Reporting for Certain Investments and for External Investment Pools" (GASB 31). Investments that have a remaining maturity at the time of purchase in excess of one year are recorded at fair value. Fair value is the amount at which a financial instrument could be exchanged in a current transaction between willing parties.

The Town has investments in government pools at September 30, 2024 totaling $143,564,589, which are recorded at amortized cost.

The Town categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

As of September 30, 2024, the Town has investments of $96,292,010 (Level 2 inputs) valued by a pricing service which uses an estimation process that values securities at the closing price reported on the active market on which the individual securities are traded.

At September 30, 2024, the Town had the following cash equivalents and investments:

	Fair Value	Weighted Avg Maturity (Days)
Primary Government:		
State Wide Investment Pools	$ 143,564,589	22
Treasuries	59,460,500	213
Federal Agencies	36,831,510	212
Total Primary Government	$ 239,856,599	86

The amounts for the Investment Pools (Texpool, TexasCLASS and Texstar) are included for financial reporting purposes in cash and cash equivalents. The Investment Pools qualify to be valued at amortized cost and have no limitations or restrictions on withdrawals.

Interest rate risk. As a means of limiting its exposure to fair value losses arising from increasing interest rates, the Town's investment policy establishes the portfolio's maximum average dollar-weighted maturity, per pooled fund group, is 365 days for the operating funds, 180 days for the debt service funds, 730 days for the debt service reserve fund, 90 days for the special revenue funds and 365 days for the capital project funds.

Credit risk. The Town's investment policy, in conjunction with State law, specifies the type of credit rating of all authorized investments. The Town's investments in U.S. Agency securities include Federal Home Loan Bank (FHLB) security, which is rated AA+ by Standard's & Poor's and Aaa by Moody's Investors Service. On September 6, 2008, the Federal Housing Finance Agency (FHFA) was appointed as conservator of FNMA and FHLMC. The obligations of the agencies will be paid in the normal course of business during the conservatorship. The Treasury Department, through a secured lending credit facility and a senior preferred stock purchase agreement, has significantly enhanced the ability of FNMA and FHLMC to meet their obligations. FHFA does not anticipate that there will be any disruption in FNMA and FHLMC's pattern of payments or ongoing business operations. The investments in TexPool, TexasCLASS and TExStar carry a rating of AAAm by Standard and Poor's.

Concentration of credit risk. With the exception of U.S. Treasury securities and certificates of deposit, the Town's investment policy limits the amount that may be invested in any one issuer to a percentage of the total investment portfolio, 75% in U.S. Agencies, 70% in local government investment pools and 10% in local government obligations. As of September 30, 2024, 5% or more of the Town's total investments are in the following: TexPool (20.51%), TexStar (17.42%), TexasCLASS (21.27%), Federal Agencies (15.37%) and Treasury Securities (24.74%), on a fair value basis.

Oversight for TexPool, TexSTAR, and TexasCLASS Under the TexPool Participation Agreement, administrative and investment services to TexPool are provided by Federated Hermes, Inc. through an agreement with the State of Texas Comptroller of Public Accounts. The State Comptroller is the sole officer, director, and shareholder of the Texas Treasury Safekeeping Trust Company authorized to operate TexPool. TexPool is subject to annual review by an independent auditor consistent with the Public Funds Investment Act. TexPool is subject to review by the State Auditor's Office and by the Internal Auditor of the Comptroller's Office.

The Texas Short Term Asset Reserve Program (TexSTAR) has been organized in conformity with the Interlocal Cooperation Act, Chapter 791 of the Texas Government Code, and the Public Funds Investment Act, Chapter 2256 of the Texas Government Code. These two acts provide for the creation of public funds investment pools (including TexSTAR) and authorize eligible governmental entities to invest their public funds through the investment pools. TexSTAR is administered by JP Morgan Investment Management, Inc. and Hilltop Securities and is rated AAAm by Standard and Poor's.

Texas Cooperative Liquid Assets Securities System (Texas CLASS) Trust ("the Trust") is a Participant controlled trust created in accordance with the Texas Public Funds Investment Act, Section 2256.0017 and was established for participating Texas municipalities on January 1, 1996 under the trust agreement (the "Trust Agreement"). Texas CLASS commenced operations on April 12, 1996 and Texas CLASS Government commenced operations on December 1, 2016. Both portfolios in the Trust are available for investment by Texas municipalities, school districts and public agencies. The purpose of the Trust is to enable such entities to cooperate in the investment of their available funds. The Trust operates like a money market mutual fund with each share valued at $1.00. The Trust is an investment company and follows the accounting and reporting guidance in Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") Topic 946. Texas CLASS and Texas CLASS Government are both rated AAAm by S&P Global Ratings. The Town participates in Texas CLASS Government.

3. RECEIVABLES

Receivables at September 30, 2024, for the Town's individual major funds and other funds (non-major funds, internal service funds), in the aggregate, including the applicable allowances for uncollectible accounts, are shown below.

	General	Debt Service	Capital Projects	Utilities	Other Funds
Receivables					
Taxes	$ 412,689	$ 73,414	$ -	$ -	$ -
Accounts	2,221,099	-	-	6,949,476	63,269
Franchise fees	2,412,580	-	-	-	23,965
Unbilled services	-	-	-	3,076,499	-
Accrued interest	646,485	127	62,772	-	-
Intergovernmental	546,025	-	11,861	-	99,420
Other taxes	3,162,636	-	-	-	3,148,215
Leases	1,097,873	-	-	-	-
Gross receivables	10,499,387	73,541	74,633	10,025,975	3,334,869
Less: allowance	(730,824)	(5,834)	-	(1,020,305)	-
Net total receivables	$ 9,768,563	$ 67,707	$ 74,633	$ 9,005,670	$ 3,334,869

Governmental funds report unavailable and unearned revenue in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period.

Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned. At the end of the current fiscal year, the various components of

unavailable revenue are reported as deferred inflows and unearned revenue are reported as a liability. The details of unavailable are shown below.

	Unavailable
Delinquent property taxes receivable (general fund)	$ 609,714
Municipal court receivable (general fund)	133,848
Franchise fee receivable (general fund)	1,050,568
Ambulance revenues (general fund)	222,718
Community Activity Center accounts receivable (general fund)	407,327
Delinquent property taxes receivable (debt service fund)	95,189
Interlocal reimbursement receivable (capital projects fund)	11,681
	$ 2,531,045

4. INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

A summary of interfund receivables and payables at September 30, 2024 is as follows:

Due to Fund	Due From Fund	Amount	Purpose
Nonmajor Governmental	Nonmajor Governmental	$ 92,723	Short-term funding-intergovernmental receivable
	Total	$ 92,723	

There was an interfund balance at September 30, 2024 between the Street Maintenance Fund and the following funds: CDBG-HUD Grant and the Grants Fund for $92,723. These interfund balances are due to timing of receipts for amounts spent in advance.

Transfers between funds during the year were as follows:

Transfers From	Transfers To	Amount	Reason
Utility Fund	General Fund	$ 3,429,522	Administrative Cost Allocation
Nonmajor Governmental Fund	General Fund	300,000	CDC operation & maintenance
Nonmajor Governmental Fund	Capital Projects Fund	40,000	Joint Fire Training Facility
Nonmajor Governmental Fund	General Debt Service Fund	270,200	Twin Coves park
Nonmajor Governmental Fund	Utility Fund	964,785	CIP Projects
Internal Service Fund	Utility Fund	137,697	Vehicle purchases
Nonmajor Governmental Fund	Nonmajor Governmental Fund	23,024	Merge two seizure funds
General Fund	Capital Projects Fund	150,000	Sidewalk links program
General Fund	Capital Projects Fund	75,000	Streetlight program
General Fund	Capital Projects Fund	88,500	Traffic Signal Preemption Upgrade
General Fund	Capital Projects Fund	90,000	Roadway Amenities project
General Fund	Capital Projects Fund	190,000	Traffic Detection Rehabilitation project
General Fund	Nonmajor Governmental Fund	11,044	Bulletproof Vest Grant match
		$ 5,769,772	

5. CAPITAL ASSETS

Capital asset balances and activity for the year ended September 30, 2024, are summarized as follows:

Governmental activities:	Balance at October 1, 2023	Additions	Retirements/ Transfers	Balance at September 30, 2024
Capital assets not being depreciated:				
Land	$ 37,585,797	$ 7,547,128	$ -	$ 45,132,925
Construction in progress	49,216,623	15,670,757	(19,062,321)	45,825,059
Total capital assets not being depreciated	86,802,420	23,217,885	(19,062,321)	90,957,984
Capital assets being depreciated/amortized:				
Buildings	113,185,773	70,000	-	113,255,773
Streets and bridges	467,060,931	2,240,285	11,979,441	481,280,657
Improvements	48,317,130	-	6,032,930	54,350,060
Equipment	31,479,851	8,504,574	(438,922)	39,545,503
Subscription right-of-use assets	913,331	1,372,169	(77,298)	2,208,202
Total capital assets being depreciated/amortized	660,957,016	12,187,028	17,496,151	690,640,195
Less accumulated depreciation/Amortization for:				
Buildings	31,274,105	3,443,255	-	34,717,360
Streets and bridges	305,213,557	10,735,560	-	315,949,117
Improvements	21,739,555	2,285,695	-	24,025,250
Equipment	18,004,328	2,550,687	(403,843)	20,151,172
Subscription right-of-use assets	410,957	508,853	(77,298)	842,512
Total accumulated depreciation/amortization	376,642,502	19,524,050	(481,141)	395,685,411
Total capital assets, being depreciated/amortized, net	284,314,514	(7,337,022)	17,977,292	294,954,784
Governmental activities capital assets, net	$ 371,116,934	$ 15,880,863	$ (1,085,029)	$ 385,912,768

Business-type activities:	Balance at October 1, 2023	Additions	Retirements/ Transfers	Balance at September 30, 2024
Capital assets not being depreciated:				
Land	$ 4,419,755	$ -	$ -	$ 4,419,755
Construction in progress	9,726,155	19,647,741	(3,237,534)	26,136,362
Total capital assets not being depreciated	14,145,910	19,647,741	(3,237,534)	30,556,117
Capital assets being depreciated/amortized:				
Buildings	53,765,322	6,449	-	53,771,771
Distribution System	290,501,845	1,257,057	3,237,534	294,996,436
Equipment	4,581,248	289,082	-	4,870,330
Subscription right-of-use assets	73,238	-	-	73,238
Total capital assets being depreciated/amortized	348,921,653	1,552,588	3,237,534	353,711,775
Less accumulated depreciation/amortization for:				
Buildings	25,164,770	1,179,349	-	26,344,119
Distribution System	107,974,651	8,555,529	-	116,530,180
Equipment	2,866,069	356,690	-	3,222,759
Subscription right-of-use assets	29,906	36,618	-	66,524
Total accumulated depreciation/amortization	136,035,396	10,128,186	-	146,163,582
Total capital assets, being depreciated/amortized, net	212,886,257	(8,575,598)	3,237,534	207,548,193
Business-type activities capital assets, net	$ 227,032,167	$ 11,072,143	$ -	$ 238,104,310

Business-type activities include $19,647,741 of the total $21,200,329 in additions of capital assets acquired through the use of debt.

Depreciation expense was charged to functions/programs as follows:

Governmental Activities:	
Development services	$ 20,102
Library services	457,284
Parks and recreation services	3,052,032
Police services	888,430
Financial services	1,265,043
Administrative services	99,659
Fire and emergency services	2,014,075
Communications	17,479
Infrastructure services	11,201,093
Total depreciation expense-governmental activities	$ 19,015,197

Amortization expense was charged to functions/programs as follows:

Governmental Activities:		
Administrative services	$	355,811
Police services		120,527
Financial services		9,855
Fire and emergency services		22,660
Total amortization expense-governmental activities	$	508,853

Outstanding commitments at September 30, 2024, under authorized construction contracts were approximately $35,446,868. These outstanding commitments are to be financed by available cash and investment balances, which include proceeds from previous bond issuances.

Outstanding Commitments	
TIRZ	$ 4,878,845
Park Development	350,234
Street Maintenance	3,044,005
Parks-4B	193,706
ARPA	1,187,552
General Projects	10,012,371
Utility System Projects	15,780,155
Total outstanding commitments	$ 35,446,868

6. DEFERRED OUTFLOWS AND INFLOWS OF RESOURCES

Deferred outflows and inflows of resources on the government-wide statement of net position are comprised of the following items:

Deferred Charges on Refundings

- Deferred charge on refunding – results from the difference in the carrying value of refunded debt and its reacquisition price and may be either a gain or a loss. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

Deferred Outflows and Inflows Related to Pensions and OPEB

- Contributions after measurement date – Town contributions made from the evaluation date, December 31st to the fiscal year end, which are deferred and recognized in the following fiscal year.
- Difference in actual experience and actuarial assumption – difference in the actuarial economic and demographic assumptions and actual experience on liabilities. These losses and gains are deferred and recognized over the remaining estimated average service lives of all members determined as of the measurement date.
- Changes in actuarial assumption – difference arising due to assumption changes. These losses and gains are deferred and recognized over the remaining estimated average service lives of all members determined as of the measurement date.

- Investment gains/losses – difference in projected and actual earning on assets. These losses and gains are combined and deferred and amortized over a closed 5-year period.

Deferred Inflows Related to Leases

- This amount is initially an offset to Leases Receivable recorded at lease commencement, and subsequently, recognized as revenue over the life of the lease term.

A summary of changes in deferred outflows and inflows of resources is as follows:

	Beginning Balance	Additions	Reductions	Ending Balance
Governmental activities:				
Deferred amounts:				
Charges on refundings	$ 290,028	$ (106,858)	$ (104,726)	$ 78,444
Pension contributions after measurement date	3,682,119	4,170,879	(3,731,156)	4,121,842
Pension difference in actual and expected experience	538,191	1,376,829	(347,213)	1,567,807
Pension actuarial assumptions gains/losses	43,542	(313,687)	(47,172)	(317,317)
Pension investment gains/losses	10,454,792	(5,941,108)	(622,987)	3,890,697
OPEB contributions after measurement date	66,752	46,130	(14,875)	98,007
OPEB difference in actual experience and actuarial assumptions	532,791	28,891	(124,171)	437,511
OPEB assumption gains/losses	673,413	63,979	(74,185)	663,207
Leases	432,999	1,015,379	(323,693)	1,124,685
Business-type activities:				
Deferred amounts:				
Charges on refundings	$ 93,199	$ (288,037)	$ (48,091)	$ (242,929)
Pension contributions after measurement date	510,192	460,404	(461,155)	509,441
Pension difference in actual and expected experience	92,837	143,851	(42,914)	193,774
Pension actuarial assumptions gains/losses	9,460	(42,849)	(5,830)	(39,219)
Pension investment gains/losses	1,099,429	(541,558)	(76,999)	480,872
OPEB contributions after measurement date	11,309	2,642	(1,838)	12,113
OPEB difference in actual experience and actuarial assumptions	98,313	(28,891)	(15,347)	54,075
OPEB assumption gains/losses	155,116	(63,979)	(9,168)	81,969

7. LONG TERM DEBT

On June 20, 2024, the Town issued $7,320,000 in Certificates of Obligation Series, 2024, which will pay for the contractual obligations incurred for constructing street, waterworks and sewer system improvements and extensions, including the acquisition of land and rights-of-way therefor and professional services rendered in connection therewith.

The Town Council authorized an ordinance on June 20, 2024, to issue $5,335,000 in General Obligation Refunding Bonds Series, 2024, to refund a portion of the Town's outstanding debt in order to reduce the overall debt service requirements of the Town and to pay the costs of issuance. This series refunds Certificates of Obligation Series 2015A, for $5,775,000 for years maturing 2025 through 2027 and 2031 through 2035. Such refunded bonds are no longer payable from the net revenue of the Town of Flower Mound. The net carrying amount of the old debt exceeded the reacquisition price by $458,511. This refunding was undertaken to reduce total debt service payments by $875,701 and resulted in an economic gain of $390,591.

Governmental Activities:

Long-term debt of the Town consists of general obligation bonds, certificates of obligation, obligations under compensated absence agreements, and long-term liabilities arising from subscription-based Information technology arrangements. General obligation bonds and certificates of obligation retirement is provided from the debt service tax, together with interest earned within the Debt Service Fund.

The Town's outstanding general obligation bonds are as follows:

Series	Outstanding
2014 Refunding	$ 615,000
2014A Refunding	1,705,000
2016 Refunding	3,050,000
2020 Refunding	1,825,000
2023 Refunding	1,520,000
2024 Refunding	1,955,000
	$ 10,670,000

The debt service requirements of general obligation bonds are as follows:

Due Fiscal Year Ending	Principal General Obligation Bonds	Interest	Total
2025	$ 4,820,000	$ 388,951	$ 5,208,951
2026	2,340,000	204,650	2,544,650
2027	1,500,000	122,000	1,622,000
2028	600,000	78,450	678,450
2029	500,000	54,800	554,800
2030-2033	910,000	80,975	990,975
Total	$ 10,670,000	$ 929,826	$ 11,599,826

The Town's outstanding certificates of obligation are as follows:

Series	Outstanding
2014	$ 270,000
2015	1,490,000
2015A	675,000
2016	2,695,000
2017	2,335,000
2017A	9,830,000
2018	2,650,000
2018A	4,845,000
2019	5,025,000
2024	385,000
	$ 30,200,000

The debt service requirements of certificates of obligation are as follows:

Due Fiscal Year Ending	Principal Certificates of Obligation	Interest	Total
2025	$ 3,950,000	$ 1,276,812	$ 5,226,812
2026	4,085,000	1,115,913	5,200,913
2027	1,635,000	934,919	2,569,919
2028	1,925,000	848,119	2,773,119
2029	2,010,000	754,053	2,764,053
2030-2034	9,265,000	2,479,095	11,744,095
2035-2039	7,200,000	577,125	7,777,125
2040-2044	130,000	13,400	143,400
Total	$ 30,200,000	$ 7,999,436	$ 38,199,436

Business-type Activities:

Utility long-term debt of the Town consists of general obligation bonds and certificates of obligation. Retirement is provided primarily from the revenues or earnings of the Town's Utility Fund.

The Town's Utility System's outstanding general obligation bonds are as follows:

Series	Outstanding
2014 Refunding	$ 100,000
2014A Refunding	215,000
2016 Refunding	3,210,000
2020 Refunding	900,000
2021 Refunding	1,365,000
2023 Refunding	4,470,000
2024 Refunding	3,380,000
	$ 13,640,000

The debt service requirements of the Utility System's general obligation bonds are as follows:

Due Fiscal Year Ending	Principal	Interest	Total
2025	$ 2,155,000	$ 600,047	$ 2,755,047
2026	2,175,000	479,975	2,654,975
2027	2,150,000	388,475	2,538,475
2028	1,195,000	318,950	1,513,950
2029	850,000	273,350	1,123,350
2030-2034	4,610,000	659,325	5,269,325
2035	505,000	12,625	517,625
Total	$ 13,640,000	$ 2,732,747	$ 16,372,747

The Town's Utility System's outstanding certificates of obligation are as follows:

Series	Outstanding
2012	$ 3,240,000
2014	8,470,000
2015A	1,260,000
2016	5,855,000
2017A	6,250,000
2018A	3,055,000
2019	17,005,000
2020	6,800,000
2021	8,135,000
2022	8,020,000
2023	7,200,000
2024	6,935,000
	$ 82,225,000

The debt service requirements of the Utility System's certificates of obligation are as follows:

Due Fiscal Year Ending	Principal	Interest	Total
2025	$ 4,185,000	$ 3,232,183	$ 7,417,183
2026	4,405,000	3,027,072	7,432,072
2027	4,575,000	2,845,956	7,420,956
2028	5,175,000	2,647,338	7,822,338
2029	5,390,000	2,431,250	7,821,250
2030-2034	27,725,000	8,743,956	36,468,956
2035-2039	22,775,000	3,511,850	26,286,850
2040-2044	7,995,000	570,650	8,565,650
Total	$ 82,225,000	$ 27,010,255	$ 109,235,255

A summary of changes in long-term liabilities for the year ended September 30, 2024 follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
General obligation bonds	$ 11,845,000	$ 1,955,000	$ (3,130,000)	$ 10,670,000	$ 4,820,000
Certificates of obligations	35,735,000	385,000	(5,920,000)	30,200,000	3,950,000
Bond premiums/discounts	4,798,300	42,209	(930,079)	3,910,430	760,477
Total bonds payable	52,378,300	2,382,209	(9,980,079)	44,780,430	9,530,477
Compensated absences	5,710,749	549,475	(1,811)	6,258,413	1,577,358
OPEB Liability	5,103,745	698,284	-	5,802,029	245,672
Net pension liability	26,921,233	-	(5,189,005)	21,732,228	-
Subscription liability	407,726	1,372,168	(582,031)	1,197,863	535,439
Governmental activity Long-term liabilities	$ 90,521,753	$ 5,002,136	$ (15,752,926)	$ 79,770,963	$ 11,888,946
Business-type activities:					
General obligation bonds	$ 12,390,000	$ 3,380,000	$ (2,130,000)	$ 13,640,000	$ 2,155,000
Certificates of obligations	83,100,000	6,935,000	(7,810,000)	82,225,000	4,185,000
Bond premiums/discounts	9,087,784	715,131	(1,114,771)	8,688,144	792,021
Total bonds payable	104,577,784	11,030,131	(11,054,771)	104,553,144	7,132,021
Compensated absences	528,247	59,344	(40,308)	547,283	163,430
OPEB Liability	919,642	-	(202,537)	717,105	30,364
Net pension liability	3,388,096	-	(702,091)	2,686,005	-
Subscription liability	36,059	-	(36,059)	-	-
Business-type activity Long-term liabilities	$ 109,449,828	$ 11,089,475	$ (12,035,766)	$ 108,503,537	$ 7,325,815

Compensated absences payables are based on the assignment of an employee within a fund. Other postemployment benefits are liquidated from the Health Insurance and Flexible Benefit internal service fund, with the retiree subsidy amounts paid by the General Fund.

8. RISK MANAGEMENT

Effective January 1, 1993, the Town established a partially self-funded trust plan which offers medical, dental, vision, long-term life insurance and disability coverage to employees and their dependents. The Town maintains excess loss insurance which limits annual claims paid from the plan to a maximum of $160,000 for any individual claim and an aggregate amount of 125% of expected claims. Blue Cross Blue Shield of Texas, a third-party administrator, is employed by the plan to administer claims. Trustees have been appointed to receive employer and employee contributions and to disburse payments to the providers of the plan. Costs relating to the plan are recorded in an Internal Service Fund. Revenue is recognized from employee payroll deductions and from Town contributions for employee and dependent coverage.

Changes in the claims liability amount were:

	2024	2023
Unpaid claims at beginning of fiscal year	$ 1,427,837	$ 1,280,490
Claims incurred and changes in estimates	10,624,403	11,083,802
Payments	(10,556,441)	(10,936,455)
Unpaid claims at end of fiscal year	$ 1,495,799	$ 1,427,837

All claims are due within one year.

Liability and property insurance coverage is provided by TML Intergovernmental Risk Pool. The Town retains, as a risk only, the deductible amounts for each declaration of coverage. There were no reductions in coverage in the past fiscal year and there were no settlements exceeding insurance coverage in each of the past three fiscal years.

The Town is a member of the Texas Municipal League Intergovernmental Risk Pool. Insurance coverage of the Town is divided into the following types: real and personal property, mobile equipment, boiler and machinery, general liability, law enforcement liability, errors and omissions liability, automobile liability, automobile physical damage, automobile catastrophe, crime, public official liability, and employee benefits liability.

9. TAX ABATEMENTS

The Town enters into economic development agreements designed to promote development and redevelopment within the Town, stimulate commercial activity, generate additional sales tax and enhance the property tax base and economic vitality of the Town. These programs rebate or abate property, sales and hotel taxes and also include incentive payments and/or reduction in fees that are not tied to taxes. The Town's Economic Development Agreements are authorized under Chapter 380 of the Texas Local Government Code, Chapter 312 (Property Redevelopment and Tax Abatement Act), and Chapter 311 (Tax Increment Financing Act) of the Texas Tax Code.

The Town has three categories of economic development agreements:

- Tax Abatements - Property taxes can be abated starting at 20% and is negotiable for up to 10 years. The amount rebated is dependent on the minimum capital investment, the total number of full-time equivalents added to the local workforce, annual salaries of those employees, and environmentally conscious efforts. For fiscal year ending September 30, 2024, the Town abated $56,306,515 in real and/or personal property value, resulting in $218,063 in abated taxes.

- General Economic Development – The Town enters into economic development agreements under Chapter 380 of the Texas Local Government code to stimulate economic development. These agreements authorize the rebate of varying percentages of real and/or personal property taxes, a portion impact fees, permit waivers, or other expenses related to relocation costs, tenant finish-outs, and infrastructure. For fiscal year ending September 30, 2024, the Town rebated $208,419 in property taxes and $291,119 in sales taxes.

- Tax Increment Financing – The Town has one active Tax Increment Reinvestment Zone (TIRZ #1) under Chapter 311 of the Texas Tax Code. The TIRZ #1 2024 Annual Report identified an ending fund balance of $24,387,655, after total revenue of $10,381,785 and total expenditures of $6,630,945.

All incentive agreements (Chapter 380 and Tax Abatement Agreements) contain repayment (recapture) language, requiring the incentive recipient to refund the incentives if the recipient does not meet their contractual obligations outlined in the agreement. Obligations of incentive recipients vary, but typically include a timing deadline with regard to completion of construction, a deadline to receive a certificate of occupancy for the facility being incentivized, a minimum number of jobs (if the business is known), or a minimum taxable value, etc. Incentive recipients are to be notified of the default of their performance and given the opportunity to cure the default within a defined timeframe. If the default cannot be cured, then the recipient shall repay the amount of the incentive to the Town.

10. COMMITMENTS AND CONTINGENT LIABILITIES

Various claims and lawsuits are pending against the Town. In the opinion of Town management, after consultation with legal counsel, the potential loss on all claims and lawsuits will not materially affect the Town's financial position, result of operations, or cash flows.

Appropriations in all budgeted funds lapse at the end of the fiscal year even if they have related encumbrances. Encumbrances are commitments related to unperformed contracts for goods or services (i.e. purchase orders). While all appropriations and encumbrances lapse at year end, valid outstanding encumbrances are re-appropriated against the subsequent year's budget. At year end, the amount of encumbrances expected to be honored upon performance by the vendor in the next year in the General Fund were $756,507.

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the government expects such amounts, if any, to be immaterial.

The Town contracts with the Upper Trinity Regional Water District (UTRWD), a conservation and reclamation district whereby the District finances, constructs, operates and maintains water treatment facilities for the benefit of the Town. Under the current contract (which expires May 2022 or when the Bonds issued by UTRWD for the system have been paid in full, whichever is later) the Town agrees to purchase an agreed upon minimum of wholesale treated water service for resale at the rate established annually by UTRWD based on the Town's proportionate share of the annual requirement, and the Town is unconditionally liable to purchase the annual minimum regardless of the needs of the Town. The Town made $21,156,456 in payments to UTRWD in the current fiscal year.

On February 22, 2011 Trinity River Authority of Texas (TRA), issued $4,735,000 of Town of Flower Mound Wastewater Transportation Contract Revenue Bonds, Series 2011 maturing August 1, 2030, for the purpose of design, acquisition and construction of the Town's portion of the Graham Branch Wastewater Transportation System Phase II. The project consists of a lift station and force main used to transport wastewater from the towns of Flower Mound, Argyle, and Northlake to the TRA Denton Creek Regional Wastewater System. TRA will acquire,

construct, own, and operate the facilities. The Town is responsible to pay monthly installments equal to the annual payment sufficient for TRA to meet its bond service requirements. In addition to these payments the Town is separately contracted to pay operation and maintenance costs of the project. The Town made $745,874 in payments to TRA in the current fiscal year.

11. DEFINED BENEFIT PENSION PLAN

Plan Description

The Town participates as one of 936 plans in the defined benefit cash-balance plan administered by Texas Municipal Retirement System (TMRS). TMRS is a statewide public retirement plan created by the State of Texas and administered in accordance with the TMRS Act, Subtitle G, Title 8, Texas Government Code (the TMRS Act) as an agent multiple-employer retirement system for employees of Texas participating cities. The TMRS Act places the general administration and management of TMRS with a six-member, Governor-appointed Board of Trustees; however, TMRS is not fiscally dependent on the State of Texas. TMRS issues a publicly available Annual Comprehensive Financial Report (Annual Report) that can be obtained at tmrs.com.

All eligible employees of the Town are required to participate in TMRS.

Benefits Provided

TMRS provides retirement, disability, and death benefits. Benefit provisions are adopted by the governing body of the Town, within the options available in the state statutes governing TMRS.

At retirement, the benefit is calculated based on the sum of the employee's contributions, with interest, and the town-financed monetary credits with interest. The retiring Member may select one of seven monthly benefit payment options. Members may also choose to receive a portion of their benefit as a lump sum distribution in an amount equal to 12, 24, or 36 monthly payments, which cannot exceed 75% of the member's contributions and interest.

The plan provisions are adopted by the Town Council, within the options available in the state statutes governing TMRS. Members can retire at age 60 and above with 5 or more years of service or with 20 years of service regardless of age. The plan also provides death benefits, and disability benefits. Effective January 1, 2002, members are vested after 5 years.

A Summary of plan provisions adopted by the Town as of December 31, 2023 is as follows:

Employee deposit rate	7.0%
Matching ratio (Town to employee)	2 to 1
Years required for vesting	5
Service retirement eligibility (age / years of service)	60/5, 0/20
Updated Service Credit	100% Repeating, Transfers
Annuity Increase to retirees	0% of Consumer Price Index (CPI)

Employees covered by benefit terms:

At the December 31, 2023 valuation and measurement date, the following employees were covered by the benefit terms:

Employees Covered by Benefit Terms	
Inactive employees or beneficiaries currently receiving benefits	339
Inactive employees entitled to but not yet receiving benefits	533
Active Employees	648
	1,520

Contributions

Member contribution rates in TMRS are either 5%, 6% or 7% of the member's total compensation, and the city matching percentages are either 100%, 150% or 200%, both as adopted by the governing body of the city. Under the state law governing TMRS, the contribution rate for each city is determined annually by the actuary, using the Entry Age Normal actuarial cost method. The city's contribution rate is based on the liabilities created from the benefit plan options selected by the city and any changes in benefits or actual experience over time.

Employees for the Town of Flower Mound were required to contribute 7% of their annual gross earnings during the fiscal year. The contribution rates for the Town were 11.53% and 11.25% in calendar years 2024 and 2023, respectively. The Town's contributions to TMRS for the year ended September 30, 2024, were $6,397,560, and were equal to the required contributions.

Net Pension Liability

The Town's Net Pension Liability (NPL) was measured as of December 31, 2023, and the Total Pension Liability (TPL) used to calculate the Net Pension Liability was determined by an actuarial valuation as of that date.

Actuarial assumptions:

The Total Pension Liability in the December 31, 2023 actuarial valuation was determined using the following actuarial assumptions:

Inflation	2.50% per year
Overall payroll growth	2.75% per year, adjusted down for population declines, if any
Investment Rate of Return	6.75%, net of pension plan investment expense, including inflation

Salary increases are based on a service-related table. Mortality rates for active members are based on the PUB(10) mortality tables with 110% of the Public Safety table used for males and 100% of the General Employee table used for females. Mortality rates for healthy retirees and beneficiaries are based on the Gender-distinct 2019 Municipal Retirees of Texas mortality tables. The rates for actives, healthy retirees and beneficiaries are projected on a fully generational basis by the most recent Scale MP-2021, with immediate convergence, to account for future mortality improvements. For disabled annuitants, the same mortality tables for healthy retirees are used with a 4- year set-forward for males and a 3-year set-forward for females. In addition, a 3.5% and 3.0% minimum mortality rate is applied, for males and females respectively, to reflect the impairment for younger members who become disabled. The rates are projected on a fully generational basis by the most recent Scale MP-2021, with immediate convergence, to account for future mortality improvements subject to the floor.

The actuarial assumptions were developed primarily from the actuarial investigation of the experience of TMRS as of December 31, 2022. The assumptions were adopted in 2023 and first used in the December 31, 2023, actuarial valuation. Plan assets are managed on a total return basis with an emphasis on both capital appreciation as well as the production of income to satisfy the short-term and long-term funding needs of TMRS.

The long-term expected rate of return on pension plan investments was determined by best estimate ranges of expected returns for each major asset class. The long-term expected rate of return is determined by weighting the expected return for each major asset class by the respective target asset allocation percentage. The target allocation and best estimates of expected return for each major asset class in fiscal year 2024 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return (Arithmetic)
Global Public Equity	35.0%	6.70%
Core Fixed Income	6.0%	4.70%
Non-Core Fixed Income	20.0%	8.00%
Other Public and Private Markets	12.0%	8.00%
Real Estate	12.0%	7.60%
Hedge Funds	5.0%	6.40%
Private Equity	10.0%	11.60%
Total	100.0%	

Discount rate:

The discount rate used to measure the Total Pension Liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that Member and employer contributions will be made at the rates specified in statute. Based on that assumption, the pension plan's Fiduciary Net Position was projected to be available to make all projected future benefit payments of current active and inactive Members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the Total Pension Liability.

Changes in the Net Pension Liability

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balance at 12/31/2022	$ 197,845,634	$ 167,536,305	$ 30,309,329
Changes for the year:			
Service cost	7,855,578	-	7,855,578
Interest	13,384,855	-	13,384,855
Difference between expected and actual experience	2,024,217	-	2,024,217
Changes of assumptions	(474,595)	-	(474,595)
Contributions- employer	-	5,744,430	(5,744,430)
Contributions- employee	-	3,648,908	(3,648,908)
Net investment income	-	19,412,033	(19,412,033)
Benefits payments, including refunds of employee contributions	(6,958,537)	(6,958,537)	-
Administrative expense	-	(123,358)	123,358
Other changes	-	(862)	862
Net Changes	$ 15,831,518	$ 21,722,614	$ (5,891,096)
Balance at 12/31/2023	$ 213,677,152	$ 189,258,919	$ 24,418,233

Sensitivity of the net pension liability to changes in the discount rate:

The following presents the net pension liability of the Town, calculated using the discount rate of 6.75%, as well as what the Town's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.75%) or 1-percentage-point higher (7.75%) than the current rate:

Sensitivity of the net pension liability to changes in the discount rate

	1% Decrease in Discount Rate	Discount Rate (6.75%)	1% Increase in Discount Rate
Town's net pension liability	$ 55,468,209	$ 24,418,233	$ (1,171,353)

Pension plan fiduciary net position:

Detailed information about the pension plan's fiduciary net position is available in the Schedule of Changes in Fiduciary Net Position, by participating city and may be obtained at www.tmrs.com.

Pension expense and deferred outflows of resources and deferred inflows of resources related to pensions

For the year ended September 30, 2024, the Town recognized pension expense of $6,314,969.

At September 30, 2024, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual economic experience	$ 1,798,480	$ 36,899
Changes in actuarial assumptions	-	356,536
Difference between projected and actual investment earnings	4,371,569	-
Contributions subsequent to the measurement date	4,631,283	-
Total	$ 10,801,332	$ 393,435

$4,631,283 reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability for the year ending September 30, 2025. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

For the Year ended September 30,	
2025	$ 1,764,049
2026	1,854,359
2027	3,771,161
2028	(1,612,955)
Total	$ 5,776,614

12. OTHER POST-EMPLOYMENT BENEFITS

The Town provides for two post-employment benefit (OPEB) plans; one provides for postemployment healthcare through a single-employer defined benefit healthcare plan (Retiree Health Care Plan-OPEB), and the other is the Texas Municipal Retirement System Supplemental Death Benefits Fund (TMRS SDBF), a single employer defined benefit OPEB plan. Both plans are described in detail.

Aggregate amounts for the two OPEB plans are as follows:

	Healthcare OPEB	TMRS SDBF	Total
Total OPEB Liability	$ 5,022,687	$ 1,496,447	$ 6,519,134
Deferred outflows of resources	2,167,485	321,280	2,488,765
Deferred inflows of resources	534,382	607,501	1,141,883
OPEB Expense	665,222	85,047	750,269

TMRS Supplemental Death Benefits Fund

Plan Description

The Town voluntarily participates in a single-employer, defined benefit other post-employment benefit (OPEB) plan administered by TMRS. The plan is a group-term life insurance plan known as the Supplemental Death Benefits Fund (SDBF). The Plan is established and administered in accordance with the TMRS Act identically to the Town's pension plan. SDBF includes coverage for both active and retired members, and assets are commingled for the payment of such benefits. Therefore, the Plan does not qualify as an OPEB Trust in accordance with paragraph 4 of GASB Statement No. 75.

Benefits Provided

The SDBF provides group-term life insurance to Town employees who are active members in TMRS, including or not including retirees. The Town Council opted into this program via an ordinance, and may terminate coverage under, and discontinue participation in, the SDBF by adopting an ordinance before November 1 of any year to be effective the following January 1.

Payments from this fund are similar to group-term life insurance benefits and are paid to the designated beneficiaries upon the receipt of an approved application for payment. The death benefit for active employees provides a lump-sum payment approximately equal to the employee's annual salary (calculated based on the employee's actual earnings for the 12-month period preceding the month of death). The death benefit for retirees is considered an "other postemployment benefit" (OPEB) and is a fixed amount of $7,500. As the SDBF covers both active and retiree participants with no segregation of assets, the SDBF is considered to be an unfunded OPEB plan.

The number of employees currently covered by the benefit terms is as follows:

Inactive employees or beneficiaries currently receiving benefits	219
Inactive employees entitled to but not yet receiving benefits	112
Active employees	648
Total	979

Contributions

The Town contributes to the SDBF at a contractually required rate as determined by an annual actuarial valuation. The rates were 0.23% of annual covered payroll for both 2024 and 2023, of which 0.05% and 0.06% in 2024 and 2023, respectively, represented the retiree-only portion for each year. The rate is equal to the cost of providing one-year term life insurance. The funding policy for the SDBF program is to assure that adequate resources are available to meet all death benefit payments for the upcoming year; the intent is not to prefund retiree term life insurance during employees' entire careers. The Town's contributions to the retiree portion of the SDBF for the years ended September 30, 2024 and 2023 were $29,410 and $26,683, respectively, representing required contributions each year for retirees.

Actuarial Assumptions and Other Inputs

The total SDBF OPEB liability in the December 31, 2023 actuarial valuation was determined using the following actuarial assumptions:

Inflation rate	2.50% per annum
Actuarial cost method	Entry age normal
Discount rate	3.77 %
Projected salary increases	3.60% to 11.85% including inflation

Administrative expenses for the SDBF are paid through the TMRS Pension Trust Fund and are accounted for under the reporting requirements under GASB Statement No. 68.

Mortality rates for active members are based on the 2019 Municipal Retirees of Texas Mortality Tables. Male rates are multiplied by 103% and female rates are multiplied by 105%. The rates for actives, healthy retirees and beneficiaries are projected on a fully generational basis by the most recent Scale MP-2021 (with immediate convergence). For disabled annuitants, the same mortality tables for healthy retirees are used with a 4-year set forward for males and a 3-year set-forward for females. In addition, a 3.5% and 3.0% minimum mortality rate is applied, for males and females respectively, to reflect the impairment for younger members who become disabled. The rates are projected on a fully generational basis by the most recent Scale UMP MP-2021 to account for future mortality improvements subject to the floor.

The actuarial assumptions used in the December 31, 2023 valuation were based on the results of an actuarial experience study for the period ending December 31, 2022.

Discount Rate

The SDBF program is treated as an unfunded OPEB plan, and as such, a single discount rate of 3.77% was used to measure the total OPEB liability. Because the plan is essentially a “pay-as-you-go” plan, the single discount rate is equal to the prevailing municipal bond rate, based on the Fidelity Index’s “20-Year Municipal GO AA Index” rate as of December 31, 2023.

Discount Rate Sensitivity Analysis

The following schedule shows the impact of the Total OPEB Liability if the discount rate used was 1% less than and 1% greater than the discount rate that was used (3.77%) in measuring the total OPEB liability.

	1% Decrease in Discount Rate	Discount Rate (3.77%)	1% Increase in Discount Rate
Total OPEB Liability	$ 1,817,272	$ 1,496,447	$ 1,247,782

OPEB Liability, Expense, and Deferred Outflows of Resources Related to OPEBs

The Town’s total OPEB liability of $1,496,447 was measured as of December 31, 2023, and was determined by an actuarial valuation as of that date. For the year ended September 30, 2024,

the Town recognized OPEB aggregate expense of $85,047. There were no changes of benefit terms that affected measurement of the total OPEB liability during the measurement period.

Changes in the Total OPEB Liability

	Total OPEB Liability
Balance at 12/31/2022	$ 1,310,995
Changes for the year:	
Service cost	67,765
Interest	53,834
Difference between expected and actual experience	14,743
Changes of assumptions and other inputs	80,386
Benefit payments	(31,276)
Net changes	185,452
Balance at 12/31/2023	$ 1,496,447

Changes in assumptions and other inputs reflect a change in the discount rate from 4.05% to 3.77% and the changes in actuarial assumptions adopted in 2022.

At September 30, 2024, the Town reported deferred outflows of resources and deferred inflows of resources related to other post-employment benefits from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	$ 29,727	$ 81,669
Changes in actuarial assumptions	271,061	525,832
Contributions subsequent to the measurement date	20,492	
Totals	$ 321,280	$ 607,501

$20,492 reported as deferred outflows of resources related to OPEB resulting from contributions subsequent to the measurement date will be recognized as a reduction of the total OPEB liability for the year ending September 30, 2025. Other amounts of the reported as deferred outflows and inflows of resources related to OPEB will be recognized in OPEB expense as follows:

For the Year Ended September 30,	
2025	$(49,985)
2026	(53,455)
2027	(75,148)
2028	(98,566)
2029	(33,500)
Thereafter	3,941
Total	$(306,713)

Retiree Health Care Plan

Plan Description

The Town provides health care benefits through a single-employer defined benefit healthcare plan for all regular full-time employees who retire after December 31, 2006 and meet minimum retirement age of 60 and have been employed by the Town for five years continuously prior to retirement or have twenty years or more of service at any age.

Benefits Provided

The Retiree Health Care Plan provides medical and dental coverage for those employees that meet the eligibility requirements and opt into the plan at retirement. Employees who become disabled are not eligible for retiree health care benefits. The spouse of a current employee can continue to receive coverage when the employee retires if the spouse was covered at the time of retirement, and the retiring employee meets the previously outlined criteria for continued coverage, and the retiring employee continues to elect (and pay for) coverage for the dependent at open enrollments. The spouses of all future retirees can continue to receive coverage under these circumstances, assuming the current policy remains unchanged. Retirees who decide to opt-out of the health care plan are not eligible to opt back in. Survivors of employees who die while actively employed are not eligible for retiree health care benefits, unless the employee was a Public Safety Officer.

The number of employees currently covered by the benefit terms is as follows:

Retirees and Beneficiaries	13
Inactive, Nonretired Employees	-
Active Employees	544
Total	557

Contributions

Currently the retiree contributes 100% of the blended healthcare premium for coverage and is also responsible for payment of premiums for any dependent coverage. Beginning January 1, 2015, the contribution rates for retirees and their dependents are based upon the retiree premium rates as developed in the most recent actuarial valuation report of the Town's retiree health care plan. Retiree contribution rates for fiscal year 2023-2024 ranged from $793.96 to $2,223.09 per month depending on coverage levels selected. Beginning January 1, 2024, coverage for only dental and vision was no longer offered.

Actuarial Assumptions and Other Inputs

The total OPEB liability in the December 31, 2022 actuarial valuation was determined using the following actuarial assumptions, with update procedures used to roll forward the total OBEB liability to December 31, 2023. This included a change to the discount rate and demographic and salary increase assumptions from a 2023 TMRS experience study:

Inflation rate	2.50%
Actuarial cost method	Individual Entry Age
Discount rate	3.77%
Projected salary increases	3.60% to 11.85% including inflation

Administrative expenses for the Retiree Health Care Plan are recognized on a pay-as you-go basis.

For mortality rates for healthy retirees, the gender-distinct 2019 Municipal Retirees of Texas mortality tables are used. The rates are projected on a fully generational basis using the ultimate rates of scale MP-2019 to account for future mortality improvements.

Health Care trend rates were estimated using an initial rate of 7.00% declining to an ultimate rate of 4.25% after 15 years.

Participation rates assumed that 25% of those eligible for a service-based subsidy and 0% of those without a service-based subsidy would elect coverage. No employees retiring prior to the age of 50 were assumed to maintain their health coverage through the Town's plan, except those retiring through TMRS disability retirement. All retirees are assumed to discontinue coverage upon reaching eligibility for Medicare.

The actuarial assumptions used in the December 31, 2022 valuation were based on the results of an actuarial experience study for the period December 31, 2014 to December 31, 2018, as conducted for the Texas Municipal Retirement System (TMRS).

Discount Rate

Because the Retiree Health Care plan is essentially a "pay-as-you-go" plan and does not have formal assets, the discount rate is equal to the tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date. For the purpose of this valuation, the municipal bond rate is 3.77% based on the daily rate closest to but not later than the measurement date of the Fidelity "20-Year Municipal GO AA Index".

Discount Rate Sensitivity Analysis

Regarding the sensitivity of the total OPEB liability to changes in the discount rate, the following presents the plan's total OPEB liability calculated using a discount rate of 3.77%, as well as what the plan's total OPEB liability would be if the discount rate used is one percent lower or 1 percent higher:

	1% Decrease 2.77%	Discount Rate (3.77%)	1% Increase 4.77%
Total OPEB Liability	$ 5,531,479	$ 5,022,687	$ 4,564,024

Healthcare Cost Trend Rate Sensitivity Analysis

Regarding the sensitivity of the total OPEB liability to changes in the healthcare cost trend rates, the following presents the plan's total OPEB liability, calculated using the assumed trend rates as well as what the plan's total OPEB liability would be if it were calculated using a trend rate that is one percent lower or one percent higher:

	1% Decrease in Health Care Trend Rate	Current Health Care Trend Rate Assumption	1% Increase in Health Care Trend Rate
Total OPEB Liability	$ 4,442,770	$ 5,022,687	$ 5,713,279

OPEB Liability, Expense, and Deferred Outflows of Resources Related to OPEBs

The Town's total OPEB liability of $5,022,687 was measured as of December 31, 2023, and was determined by an actuarial valuation as of December 31, 2022. For the year ended September 30, 2024, the Town recognized OPEB aggregate expense of $665,222. There were no changes of benefit terms that affected measurement of the total OPEB liability during the measurement period.

Changes in the Total OPEB Liability

	Total OPEB Liability
Balance at 12/31/2022	$ 4,712,389
Changes for the year:	
Service cost	270,055
Interest	196,313
Difference between expected and actual experience	(127,683)
Changes of assumptions and other inputs	(28,016)
Benefit payments	(371)
Net changes	310,298
Balance at 12/31/2023	$ 5,022,687

Changes in assumptions and other inputs reflect a change in the discount rate from 4.05% as of December 31, 2022 to 3.77% as of December 31, 2023 and revised TMRS demographic and salary increase assumptions.

At September 30, 2024, the Town reported deferred outflows of resources and deferred inflows of resources related to other post-employment benefits from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 1,052,560	$ 509,032
Changes in actuarial assumptions	1,025,297	25,350
Contributions subsequent to the measurement date	89,628	-
Totals	$ 2,167,485	$ 534,382

$89,628 reported as deferred outflows of resources related to OPEB resulting from contributions subsequent to the measurement date will be recognized as a reduction of the total OPEB liability for the year ending September 30, 2025. Other amounts reported as deferred outflows of resources related to OPEB will be recognized in OPEB expense as follows:

For the Year Ended September 30,		
2025	$	198,854
2026		198,854
2027		190,002
2028		218,819
2029		273,605
Thereafter		463,341
Total	$	1,543,475

13. LEASES

Lessor – The Town recognizes a lease receivable and deferred inflow of resources in the government-wide and governmental funds financial statements.

The Town measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term. Key estimates and judgments include how the Town determines (1) the discount rate it uses to discount the expected lease receipts to present value, (2) lease term and (3) lease receipts. The Town uses the lessee's rate or the rate disclosed in the agreement. If the rate is not readily available, the Town uses its estimated incremental borrowing rate over a similar term as the discount rate. The lease term includes the non-cancellable period of the lease. Lease receipts included in the measurement of the lease receivable is composed of fixed payments from the lessee.

The Town monitors changes in circumstances that would require a re-measurement of its lease and will remeasure the lease receivable and deferred inflows of resources if certain changes occur that are expected to significantly affect the amount of the lease receivable.

Lease receivable – The Town is lessor of cell sites with leases of varying terms between one and ten years at September 30, 2024. The Town recognized $343,201 in lease and interest revenue during the current fiscal year related to these leases. As of September 30, 2024, the Town’s receivable for lease payments was $1,097,873. Also, the Town has a deferred inflow of resources associated with these leases that will be recognized as revenue over the lease terms. As of September 30, 2024, the balance of the deferred inflow of resources was $1,124,685.

14. SUBSCRIPTIONS

The Town has various subscriptions that meet the requirements of GASB Statement No. 96, Subscription-Based Information Technology Arrangements, including software for general office

use, document management, work order processing, procurement, recruiting, project management, geographic information system, data backup management, public safety video systems and dashboard, and emergency management. As of September 30, 2024, the subscriptions have fixed, periodic payments over the subscription terms which range from one year to six years and expire no later than fiscal year 2029.

Future subscriptions payments as of September 30, 2024 are as follows:

Fiscal Year Ending	Governmental Activities			Business-type Activities		
	Principal	Interest	Total	Principal	Interest	Total
2025	$ 535,439	$ 35,343	$ 570,782	$ -	$ -	$ -
2026	393,701	20,048	413,749	-	-	-
2027	131,908	9,807	141,715	-	-	-
2028	136,815	4,687	141,502	-	-	-
Total	$ 1,197,863	$ 69,885	$ 1,267,748	$ -	$ -	$ -

15. RESTATEMENT

During fiscal year 2024, there was a change within the financial reporting entity which resulted in the TIRZ Fund being reported as a major fund instead of as a nonmajor fund. As a result, fund balance of the TIRZ Fund of $20,636,815 which was previously reported in the nonmajor funds is now reported as a major fund with a beginning fund balance of $20,636,815. This resulted in adjustments to and restatements of beginning fund balance to nonmajor funds as follows:

	October 1, 2023, as previously reported	Change to or within the Financial Reporting Entity	October 1, 2023, as restated
Governmental funds			
Nonmajor funds	$ 63,651,819	$ (20,636,815)	$ 43,015,004
New major fund	Not Applicable	20,636,815	20,636,815

16. NEW FINANCIAL REPORTING REQUIREMENTS

The GASB has issued the following statements:

Statement No. 101, Compensated Absences. The requirements of this Statement will take effect for the Town in fiscal year 2025.

17. SUBSEQUENT EVENTS

On October 21, 2024, the Town Council approved an ordinance for the issuance of the Tax Notes in the amount of $2,500,000 for funds to be received on November 12, 2024, for purposes of contractual obligations for street maintenance and facilities capital projects and the purchase of capital equipment. The Tax Notes are due and payable on March 1, 2026, the stated maturity with an optional redemption, in whole or part, on and after September 1, 2025.

THE TOWN OF
FLOWER MOUND
TEXAS

Town of Flower Mound, Texas
Required Supplemental Information
General Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended September 30, 2024

	Budgeted Amounts		Actual GAAP Amounts	Adjustments Budget Basis	Actual Budget Basis	Variance with Final Budget - Positive (Negative)
	Original	Final				
REVENUES						
Taxes	$ 77,071,714	$ 77,071,714	$ 75,059,662	$ -	$ 75,059,662	$(2,012,052)
Licenses, permits and fees	2,076,875	2,076,875	2,135,426	-	2,135,426	58,551
Intergovernmental	2,294,642	3,174,642	3,942,801	-	3,942,801	768,159
Intragovernmental	-	-	-	-	-	-
Charges for services	5,282,290	5,282,290	5,412,819	-	5,412,819	130,529
Fines and forfeits	1,100,125	1,100,125	1,207,485	-	1,207,485	107,360
Investment earnings	500,000	500,000	2,676,579	-	2,676,579	2,176,579
Memorials and contributions	-	-	2,450	-	2,450	2,450
Other revenue	589,759	589,759	1,052,481	-	1,052,481	462,722
Total Revenues	88,915,405	89,795,405	91,489,703	-	91,489,703	1,694,298
EXPENDITURES						
Town manager's office	5,063,951	12,170,007	12,069,488	(69,275)	12,000,213	169,794
Legislative services	568,641	594,737	594,514	-	594,514	223
Development services	2,749,123	2,924,910	2,924,862	-	2,924,862	48
Parks & recreation services	11,508,825	11,162,609	11,162,524	4,099	11,166,623	(4,014)
Library Services	2,281,762	2,431,392	2,434,141	6,338	2,440,479	(9,087)
Police services	20,235,679	23,166,958	23,765,122	(1,044,906)	22,720,216	446,742
Financial services	4,607,578	4,862,399	4,862,234	(104,358)	4,757,876	104,523
Administrative services	9,312,755	10,468,742	9,940,529	260,566	10,201,095	267,647
Fire and emergency services	21,512,833	25,188,542	25,191,038	(750,383)	24,440,655	747,887
Communications	897,489	915,673	915,671	-	915,671	2
Public works	7,725,268	8,259,658	7,666,155	(188,138)	7,478,017	781,641
Environmental services	1,676,799	1,762,916	1,762,870	(23,057)	1,739,813	23,103
Total Expenditures	88,140,703	103,908,543	103,289,148	(1,909,114)	101,380,034	2,528,509
Excess (deficiency) of revenues over (under) expenditures	774,702	(14,113,138)	(11,799,445)	1,909,114	(9,890,331)	4,222,807
OTHER FINANCING SOURCES (USES)						
Subscription financing	-	-	1,372,169	-	1,372,169	1,372,169
Transfers in	3,729,522	3,729,522	3,729,522	-	3,729,522	-
Transfers out	(2,128,785)	(2,128,785)	(604,544)	-	(604,544)	1,524,241
Total other financing sources and uses	1,600,737	1,600,737	4,497,147	-	4,497,147	2,896,410
Net change in fund balances	2,375,439	(12,512,401)	(7,302,298)	1,909,114	(5,393,184)	7,119,217
Fund balances - beginning	41,933,829	41,933,829	41,933,829	-	41,933,829	-
Fund balances - ending	$ 44,309,268	$ 29,421,428	$ 34,631,531	$ 1,909,114	$ 36,540,645	$ 7,119,217

Town of Flower Mound, Texas
TIRZ Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended September 30, 2024

	Budgeted Amounts		Actual GAAP	Adjustments Budget	Actual Budget	Variance with Final Budget - Positive
	Original	Final	Amounts	Basis	Basis	(Negative)
REVENUE						
Taxes	$ 8,467,780	$ 8,467,780	$ 8,619,948	$ -	$ 8,619,948	$ 152,168
Intergovernmental	-	-	591,725	-	591,725	591,725
Investment earnings	400,000	400,000	1,170,112	-	1,170,112	770,112
Total Revenue	8,867,780	8,867,780	10,381,785	-	10,381,785	1,514,005
EXPENDITURES						
Public works	11,181,941	28,697,550	3,592,195	1,132,805	4,725,000	23,972,550
Debt service						
Principal	2,380,000	2,380,000	2,380,000	-	2,380,000	-
Interest and fiscal charges	260,650	260,650	258,750	-	258,750	1,900
Total Expenditures	13,822,591	31,338,200	6,230,945	1,132,805	7,363,750	23,974,450
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	(4,954,811)	(22,470,420)	4,150,840	(1,132,805)	3,018,035	25,488,455
OTHER FINANCING SOURCES (USES)						
Transfers out	-	-	(400,000)	-	(400,000)	(400,000)
Total Other Financing Sources (Uses)	-	-	(400,000)	-	(400,000)	(400,000)
EXCESS (DEFICIENCY) OF REVENUE AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	(4,954,811)	(22,470,420)	3,750,840	(1,132,805)	2,618,035	25,088,455
FUND BALANCE, BEGINNING OF YEAR	20,636,815	20,636,815	20,636,815	-	20,636,815	-
FUND BALANCE, END OF YEAR	$ 15,682,004	$(1,833,605)	$ 24,387,655	$(1,132,805)	$ 23,254,850	$ 25,088,455

TOWN OF FLOWER MOUND, TEXAS
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED SEPTEMBER 30, 2024

The Town adopts an "appropriated budget" of governmental fund types on the modified accrual basis of accounting by department. The Town is required to present the adopted and final amended budgeted revenues and expenditures. The Town compares the final amended budget to actual revenues and expenditures. The General Fund budget appears on page 81 and other informational budgets are presented in the individual fund statements.

The Town Manager submits to the Town Council, between sixty and ninety days prior to the beginning of each fiscal year, a proposed budget for all funds of the Town. At the meeting of the Town Council at which the budget is submitted, the Town Council determines the time and place of the public hearing on the budget and causes to be published a notice of the budget hearing. After the budget hearing, the budget may be adopted by a favorable vote of three of the members of the Town Council. Upon adoption, the budget is filed with the Town Secretary, the County Clerk of Denton County and the County Clerk of Tarrant County.

During the fiscal year, the Town Council may transfer funds allocated to a department to another department or re-estimate revenue or expenditures. The Town Manager may transfer budgeted funds within a department. Expenditures should not exceed appropriations at the department level, the classification level as reported in the combined financial statements except transfers out which are included for budget purposes in a Non-Departmental department.

Budgets for all funds are adopted on a basis consistent with generally accepted accounting principles (GAAP) except that encumbrances are treated as budgeted expenditures in the year of commitment. Unencumbered appropriations at fiscal year end lapse except for multi-year grants and/or projects. For budgeting purposes, encumbrances are treated as expenditures.

During fiscal year 2023-2024, the Town Council of the Town of Flower Mound amended the budget for the General Fund two times. The original expenditure budget was amended to increase the budget by $15,767,840.

Expenditures will increase by $2,694,947 to re-appropriate funds budgeted in prior years for outstanding purchase orders at September 30, 2023.

Market adjustments for employees were not originally included in the FY 2023-2024 budget. The Human Resources department worked with a consultant to calculate up to date market rates. Due to many cities not making changes until later in the fall, the decision was made to consider a market increase for eligible employees in December. In order to fund the market adjustments, expenditures will increase by $1,270,245 in the General Fund.

Expenditures will also increase by $2,394,000 to account for a transfer to the Health Insurance/Flex Account Fund. A one-time payment of $3,150,000 to the Fund is needed to cover the costs associated with a few unusually high claimants. The transfer is split proportionally between the funds that include personnel.

A recent self-audit was conducted of the number of users and stations related to the ICS CAD, Mobile Data Computers, and Records Management in Police, Fire, Animal Services,

and Municipal Court. It was discovered that the Town is using more licenses across these departments than originally purchased. A budgetary amendment is requested to cover the cost of these additional licenses, so that current operations and service levels can continue. In the General Fund, $61,200 is needed for the Police Department, $28,858 for the Fire Department, and $6,147 for Municipal Court, for a total of $96,205.

On June 11, 2023, a hailstorm hit multiple buildings in town. The Town filed an insurance claim with TML for the damage incurred. The Town's out of pocket cost for the required deductible and items not covered by insurance is $30,665. An amendment is needed in the Facilities Division to cover this amount.

In the Facilities Management Division of the General Fund, expenditures will increase by $844,900 to account for projects that were budgeted but not completed in the last fiscal year. Due to time constraints and supply chain issues, seven projects that were budgeted in FY 22-23 were unable to be completed during the fiscal year: Fire Station #1 crew renovations for $150,000, Fire Station #2 HVAC replacement for $130,900, Fire Station #3 HVAC replacement for $132,000, Fire Station #3 diesel tank for generator for $7,000, Animal Adoption Center walk-in freezer for $50,000, Animal Adoption Center HVAC upgrade for $370,500, and Animal Adoption Center access control doors for $4,500.

The Fire Department has a 2017 Pierce Wildland Pumper (vehicle 63000-05) that needs to be replaced. The vehicle was mistakenly left off the FY 23-24 VERF replacement list. The unit will be replaced with a Pierce Custom Enforcer Aerial Quint for Fire Suppression. The amendment includes $9,750 in the General Fund for the mobile router and radios.

Budgetary review at the end of the fiscal year required several adjustments between departments to offset overages. Savings were identified in the Town Manager's Office and Parks and Recreation to transfer to departmental budgets that were over.

The Fire Department's budget was increased by $880,000 to account for the expenses incurred for emergency deployments, which were reimbursed by the State.

Non-Departmental Services was increased by $7,547,128 to account for the purchase of the 22.2-acre tract of land authorized by the Town Council on May 6, 2024.

The revenue budget was increased for Intergovernmental revenue by $880,000 due to the state reimbursement for the Fire Department working with the Texas Division of Emergency Management supporting various deployments across the state for emergency response. The state reimbursed the Town for employee salary, overtime, and backfill expenses and expenditures such as lodging and food for the employees on deployment.

Town of Flower Mound, Texas
Required Supplemental Information
TMRS Schedule of Changes in Net Pension Liability and Related Ratios
Last Ten Measurement Years

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Total pension liability:										
Service Cost	$ 4,090,390	$ 4,692,031	$ 5,117,444	$ 5,520,137	$ 5,790,170	$ 6,054,483	$ 6,574,622	$ 6,845,217	$ 7,114,585	$ 7,855,578
Interest	6,286,051	6,874,186	7,453,691	8,218,307	9,001,156	9,813,806	10,769,532	11,613,126	12,489,034	13,384,855
Difference between expected and actual experience	205,066	1,205,977	1,666,086	1,175,904	1,153,606	1,679,595	388,866	794,310	(70,911)	2,024,217
Change of assumptions	-	2,074,237	-	-	-	658,746	-	-	-	(474,595)
Benefit payments, including refunds of employee contributions	(2,290,398)	(2,670,410)	(3,003,068)	(3,218,777)	(3,684,440)	(4,391,201)	(4,224,414)	(6,516,819)	(6,305,024)	(6,958,537)
Net change in total pension liability	$ 8,291,109	$ 12,176,021	$ 11,234,153	$ 11,695,571	$ 12,260,492	$ 13,815,429	$ 13,508,606	$ 12,735,834	$ 13,227,684	$ 15,831,518
Total pension liability - beginning	88,900,736	97,191,845	109,367,866	120,602,019	132,297,590	144,558,082	158,373,511	171,882,117	184,617,951	197,845,635
Total pension liability - Ending (a)	$ 97,191,845	$ 109,367,866	$ 120,602,019	$ 132,297,590	$ 144,558,082	$ 158,373,511	$ 171,882,117	$ 184,617,951	$ 197,845,635	$ 213,677,153
Plan fiduciary net position:										
Contributions - Employer	$ 2,688,103	$ 3,026,380	$ 3,188,542	$ 3,767,294	$ 4,085,713	$ 4,340,811	$ 4,698,644	$ 5,151,464	$ 5,326,402	$ 5,744,430
Contributions - Employee	2,123,871	2,248,064	2,389,176	2,579,504	2,705,159	2,844,388	3,053,905	3,194,435	3,331,244	3,648,908
Net Investment Income	4,852,360	135,954	6,408,566	14,374,734	(3,629,822)	18,646,488	10,776,001	20,368,198	(13,018,982)	19,412,033
Benefit payments, including refunds of employee contributions	(2,290,398)	(2,670,410)	(3,003,068)	(3,218,777)	(3,684,440)	(4,391,201)	(4,224,414)	(6,516,819)	(6,305,025)	(6,958,537)
Administrative Expenses	(50,652)	(82,800)	(72,340)	(74,475)	(70,114)	(105,274)	(69,670)	(94,144)	(112,551)	(123,357)
Other	(4,164)	(4,090)	(3,898)	(3,774)	(3,664)	(3,163)	(2,717)	644	134,307	(863)
Net change in plan fiduciary net position	$ 7,319,120	$ 2,653,098	$ 8,906,978	$ 17,424,506	$ (597,168)	$ 21,332,049	$ 14,231,749	$ 22,103,778	$ (10,644,605)	$ 21,722,614
Plan fiduciary net position - beginning	84,806,800	92,125,920	94,779,019	103,685,997	121,110,503	120,513,335	141,845,384	156,077,133	178,180,911	167,536,306
Plan fiduciary net position - ending (b)	$ 92,125,920	$ 94,779,018	$ 103,685,997	$ 121,110,503	$ 120,513,335	$ 141,845,384	$ 156,077,133	$ 178,180,911	$ 167,536,306	$ 189,258,920
Net pension liability (a)- (b)	$ 5,065,925	$ 14,588,848	$ 16,916,022	$ 11,187,087	$ 24,044,747	$ 16,528,127	$ 15,804,984	$ 6,437,040	$ 30,309,329	$ 24,418,233
Plan fiduciary net position as a percentage of total pension liability	94.79%	86.66%	85.97%	91.54%	83.37%	89.56%	90.80%	96.51%	84.68%	88.57%
Covered payroll	30,307,892	32,115,199	34,116,296	36,850,050	38,601,134	40,634,112	43,627,217	45,634,783	47,589,196	52,127,259
Net pension liability as a percentage of covered payroll	16.71%	45.43%	49.58%	30.36%	62.29%	40.68%	36.23%	14.11%	63.69%	46.84%

Town of Flower Mound, Texas
Required Supplemental Information
TMRS Schedule of Contributions
Last Ten Fiscal Years

Fiscal Year	(1) Actuarial determined contribution	(2) Contribution in relation to the Actuarially determined contribution	(3) Contribution excess (deficiency) (2) - (1)	(4) Covered Payroll	(5) Contributions as a percentage of Covered Payroll (2) / (4)
2015	2,883,444	2,958,444	75,000	31,692,484	9.33%
2016	3,196,435	3,251,435	55,000	34,809,474	9.34%
2017	3,544,829	3,544,829	-	35,992,438	9.85%
2018	4,035,061	4,035,061	-	38,525,767	10.47%
2019	4,139,960	4,139,960	-	39,872,578	10.38%
2020	4,486,154	4,486,154	-	42,056,582	10.67%
2021	4,967,961	4,967,961	-	44,655,412	11.13%
2022	5,243,131	5,243,131	-	46,770,827	11.21%
2023	5,652,138	5,652,138	-	51,076,703	11.07%
2024	6,269,111	6,269,111	-	55,850,528	11.22%

Valuation Date:
Actuarial determined contribution rates are calculated as of December 31st each year and become effective in January, 13 months later.

Methods and assumptions used to determine contribution rate:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level percent of payroll, closed
Remaining Amortization Period	22 Years (longest amortization ladder)
Asset Valuation Method	10-year smoothed market; 12% soft corridor
Inflation	2.50%
Salary Increases	3.60% to 11.85% including inflation
Investment Rate of Return	6.75%
Retirement Age	Experience-based table of rates that vary by age. Last updated for the 2023 valuation pursuant to an experience study of the period ending 2022.
Mortality	Post-retirement: 2019 Municipal Retirees of Texas Mortality Tables. Male rates are multiplied by 103% and female rates are multiplied by 105%. The rates are projected on a fully generational basis by the most recent Scale MP-2021 (with immediate convergence). Pre-retirement: PUB (10) mortality tables, with the 110% of the Public Safety table used for males and the 100% of the General Employee table used for females. The rates are projected on a fully generational basis by the most recent Scale MP-2021 (with immediate convergence).

Other Information:

Notes	There were no benefit changes during the year.

Town of Flower Mound, Texas
Required Supplemental Information
TMRS Supplemental Death Benefit Schedule of Changes in Total OPEB Liability and Related Ratios
Last Seven Fiscal Plan Years (Previous years are not available)

Measurement Date December 31,	2017	2018	2019	2020	2021	2022	2023
A. Total OPEB liability							
Service Cost	$ 58,960	$ 69,482	$ 65,015	$ 87,254	$ 114,087	$ 123,732	$ 67,765
Interest (on the Total OPEB Liability)	35,744	37,812	45,898	40,278	35,770	36,819	53,834
Difference between expected and actual experience	-	84,553	(143,228)	(56,355)	10,856	(32,118)	14,743
Changes of assumptions	100,568	(90,860)	255,097	252,729	65,673	(747,110)	80,386
Benefit payments	(3,685)	(3,860)	(4,063)	(8,725)	(18,254)	(19,036)	(31,276)
Net change in Total OPEB liability	191,587	97,127	218,719	315,181	208,132	(637,713)	185,452
Total OPEB liability - beginning	917,962	1,109,549	1,206,676	1,425,395	1,740,576	1,948,708	1,310,995
Total OPEB liability - ending	1,109,549	1,206,676	1,425,395	1,740,576	1,948,708	1,310,995	1,496,447
B. Covered-employee payroll	$ 36,850,050	$ 38,601,134	$ 40,634,112	$ 43,627,217	$ 45,634,783	$ 47,589,196	$ 52,127,259
C. Total OPEB liability as a percentage of covered-employee payroll	3.01%	3.13%	3.51%	3.99%	4.27%	2.75%	2.87%

Notes to Schedule:

- No assets are accumulated in a trust for the SDB plan to pay related benefits that meet the criteria in paragraph 4 of *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*.
- Included in the changes of assumptions for 2022 was a decrease to the discount rate from 1.84% to 4.05%.
- This schedule is required to have 10 years of information, but the information prior to 2017 is not available.

Town of Flower Mound, Texas
Required Supplemental Information
Retiree Insurance Schedule of Changes in Total OPEB Liability and Related Ratios
Last Seven Fiscal Plan Years (Previous years are not available)

Measurement Date December 31,	2017	2018	2019	2020	2021	2022	2023
A. Total OPEB liability							
Service Cost	$ 84,755	$ 116,359	$ 72,917	$ 101,855	$ 197,848	$ 215,834	$ 270,055
Interest (on the Total OPEB Liability)	76,129	77,152	57,328	49,091	55,816	54,034	196,313
Difference between expected and actual experience	125,269	(983,077)	(59,278)	647,915	40,267	779,032	(127,683)
Changes of assumptions	110,649	(821)	139,212	198,982	47,361	990,339	(28,016)
Benefit payments	(199,405)	39,673	13,232	17,311	(97,699)	(311,156)	(371)
Net change in Total OPEB liability	197,397	(750,714)	223,411	1,015,154	243,593	1,728,083	310,298
Total OPEB liability - beginning	2,055,465	2,252,862	1,502,148	1,725,559	2,740,713	2,984,306	4,712,389
Total OPEB liability - ending	2,252,862	1,502,148	1,725,559	2,740,713	2,984,306	4,712,389	5,022,687
B. Covered-employee payroll	$ 36,850,050	$ 38,601,134	$ 40,634,112	$ 43,627,217	$ 45,634,783	$ 47,589,196	$ 52,127,259
C. Total OPEB liability as a percentage of covered-employee payroll	6.11%	3.89%	4.25%	6.28%	6.54%	9.90%	9.64%

Notes to Schedule:

- No assets are accumulated in a trust for the SDB plan to pay related benefits that meet the criteria in paragraph 4 of GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions.
- Included in the changes of assumptions was an increase to the discount rate from 1.84% to 4.05%, as well as, changes to the demographic assumptions based on the 2022 TMRS Experience Study.
- This schedule is required to have 10 years of information, but the information prior to 2017 is not available.

Town of Flower Mound, Texas
Debt Service Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended September 30, 2024

	Budgeted Amounts		Actual GAAP Amounts	Adjustments Budget Basis	Budget Basis	Variance with Final Budget - Positive (Negative)
	Original	Final				
REVENUE						
Taxes	$ 5,579,970	$ 5,579,970	$ 5,446,722	$ -	$ 5,446,722	$(133,248)
Investment earnings	50,000	50,000	107,794	-	107,794	57,794
Total Revenue	5,629,970	5,629,970	5,554,516	-	5,554,516	(75,454)
EXPENDITURES						
Debt service						
Principal	4,510,000	4,730,000	4,730,000	-	4,730,000	-
Interest and fiscal charges	1,634,990	1,669,690	1,669,595	-	1,669,595	95
Total Expenditures	6,144,990	6,399,690	6,399,595	-	6,399,595	95
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	(515,020)	(769,720)	(845,079)	-	(845,079)	(75,359)
OTHER FINANCING SOURCES						
Refunded bonds issued	-	1,955,000	1,955,000	-	1,955,000	-
Premium on bonds	-	-	19,511	-	19,511	19,511
Payment to escrow	-	(1,978,800)	(1,978,800)	-	(1,978,800)	-
Transfers in	270,200	270,200	270,200	-	270,200	-
Total Other Financing Sources	270,200	246,400	265,911	-	265,911	19,511
EXCESS OF REVENUE AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	(244,820)	(523,320)	(579,168)	-	(579,168)	(55,848)
FUND BALANCE, BEGINNING OF YEAR	790,363	790,363	790,363	-	790,363	-
FUND BALANCE, END OF YEAR	$ 545,543	$ 267,043	$ 211,195	$ -	$ 211,195	$(55,848)

Town of Flower Mound, Texas
General Capital Projects Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended September 30, 2024

	Budgeted Amounts		Actual GAAP Amounts	Adjustments Budget Basis	Actual Budget Basis	Variance with Final Budget - Positive (Negative)
	Original	Final				
REVENUES						
Impact fees	$ -	$ -	$ 839,379	$ -	$ 839,379	$ 839,379
Investment earnings	-	-	1,373,973	-	1,373,973	1,373,973
Intergovernmental	-	-	2,187,428	-	2,187,428	2,187,428
Other revenue	-	-	70,000	-	70,000	70,000
Total revenues	-	-	4,470,780	-	4,470,780	4,470,780
EXPENDITURES						
Current -						
Capital projects	23,138,500	30,090,785	7,899,456	7,730,098	15,629,554	14,461,231
Total Expenditures	23,138,500	30,090,785	7,899,456	7,730,098	15,629,554	14,461,231
Excess (deficiency) of revenues over (under) expenditures	(23,138,500)	(30,090,785)	(3,428,676)	(7,730,098)	(11,158,774)	18,932,011
OTHER FINANCING SOURCES (USES)						
Issuance of general debt obligation	-	-	385,000	-	385,000	385,000
Premium on bonds	-	-	22,698	-	22,698	22,698
Transfers in	-	-	633,500	-	633,500	633,500
Total other financing sources and uses	-	-	1,041,198	-	1,041,198	1,041,198
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	(23,138,500)	(30,090,785)	(2,387,478)	(7,730,098)	(10,117,576)	19,973,209
FUND BALANCE, BEGINNING OF YEAR	26,346,499	26,346,499	26,346,499	-	26,346,499	-
FUND BALANCE, END OF YEAR	$ 3,207,999	$(3,744,286)	$ 23,959,021	$(7,730,098)	$ 16,228,923	$ 19,973,209

THE TOWN OF
FLOWER MOUND
TEXAS

Town of Flower Mound, Texas
Combining Balance Sheet
Nonmajor Governmental Funds
September 30, 2024

	Special Revenue										
	Library Development	Park Development	Tree Preservation	PEG	Street Maintenance	Parks 4B	Crime District	Fire District	Flower Mound Log Cabin	Police Seizure	IRS Equitable Sharing
ASSETS											
Cash and cash equivalents	$ 46,971	$ 2,877,496	$ 1,015,378	$ 370,330	$ 7,406,103	$ 3,755,162	$ 1,818,431	$ 1,267,141	$ 29,503	$ -	$ 4,205
Investments	66,489	3,874,882	1,257,416	453,664	10,665,142	5,483,314	2,747,644	1,708,844	-	-	-
Sales tax receivable	-	-	-	-	774,756	774,756	769,273	768,261	-	-	-
Accounts receivable	-	-	-	-	1,730	-	-	-	-	-	-
Franchise fees receivable	-	-	-	23,965	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-	-	-	-
Interfund	-	-	-	-	92,723	-	-	-	-	-	-
Total Assets	$ 113,460	$ 6,752,378	$ 2,272,794	$ 847,959	$ 18,940,454	$ 10,013,232	$ 5,335,348	$ 3,744,246	$ 29,503	$ -	$ 4,205
LIABILITIES AND FUND BALANCE											
Liabilities:											
Accounts payable	$ 16,152	$ 15,236	$ 31,233	$ 1,800	$ 406,906	$ 81,799	$ 45,300	$ 59,062	$ -	$ -	$ -
Retainage payable	-	-	-	-	131,342	46,635	-	-	-	-	-
Salaries payable	-	-	1,701	-	-	-	70,544	67,706	-	-	-
Interfund	-	-	-	-	-	-	-	-	-	-	-
Unearned revenue	-	-	-	-	-	-	-	-	11,353	-	-
Total Liabilities	16,152	15,236	32,934	1,800	538,248	128,434	115,844	126,768	11,353	-	-
Fund Balance:											
Restricted for:											
Community services	-	-	-	846,159	-	-	-	-	18,150	-	-
Public safety	-	-	-	-	-	-	5,219,504	3,617,478	-	-	4,205
Streets	-	-	-	-	18,402,206	-	-	-	-	-	-
Parks	-	-	-	-	-	9,884,798	-	-	-	-	-
Committed for:											
Community services	97,308	-	2,239,860	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-	-	-	-	-
Parks	-	6,737,142	-	-	-	-	-	-	-	-	-
Total Fund Balance	97,308	6,737,142	2,239,860	846,159	18,402,206	9,884,798	5,219,504	3,617,478	18,150	-	4,205
Total Liabilities and Fund Balance	$ 113,460	$ 6,752,378	$ 2,272,794	$ 847,959	$ 18,940,454	$ 10,013,232	$ 5,335,348	$ 3,744,246	$ 29,503	$ -	$ 4,205

	Special Revenue													
	Justice Seizures	Chapter 59 Seizures	Animal Care	Opioid Settlements	CDBG-HUD Grant	Grants	Neighborhood Improvement	COVID-19	Hotel Occupancy Tax	Municipal Court Security	Municipal Court Technology	Municipal Court Jury	Municipal Court Local Youth Diversion	Nonmajor Governmental Funds
	$ 735,518	$ 92,909	$ 42,682	$ 36,691	$ -	$ -	$ 101,034	$ 602,034	$ 360,054	$ 80,005	$ 34,587	$ 856	$ 73,167	$ 20,750,257
	28,019	-	56,714	47,964	-	-	82,079	917,720	410,106	56,739	45,424	-	5,573	27,907,733
	-	-	-	-	-	-	-	-	-	-	-	-	-	3,087,046
	-	-	-	-	-	-	8,780	-	61,169	-	-	-	-	71,679
	-	-	-	-	-	-	-	-	-	-	-	-	-	23,965
	-	-	-	-	85,123	14,297	-	-	-	-	-	-	-	99,420
	-	-	-	-	-	-	-	-	-	-	-	-	-	92,723
	$ 763,537	$ 92,909	$ 99,396	$ 84,655	$ 85,123	$ 14,297	$ 191,893	$ 1,519,754	$ 831,329	$ 136,744	$ 80,011	$ 856	$ 78,740	$ 52,032,823
	$ -	$ 30,897	$ -	$ -	$ 5,343	$ 1,354	$ -	$ 72,277	$ 18,088	$ 6,370	$ 119	$ -	$ -	$ 791,936
	-	-	-	-	-	-	-	-	-	-	-	-	-	177,977
	-	543	-	-	-	-	-	-	-	-	-	-	-	140,494
	-	-	-	-	79,780	12,943	-	-	-	-	-	-	-	92,723
	-	-	-	80,719	-	-	-	1,148,381	-	-	-	-	-	1,240,453
	-	31,440	-	80,719	85,123	14,297	-	1,220,658	18,088	6,370	119	-	-	2,443,583
	-	-	-	-	-	-	-	-	813,241	-	-	-	-	1,677,550
	763,537	61,469	-	-	-	-	-	-	-	130,374	79,892	856	78,740	9,956,055
	-	-	-	-	-	-	-	-	-	-	-	-	-	18,402,206
	-	-	-	-	-	-	-	-	-	-	-	-	-	9,884,798
	-	-	-	-	-	-	191,893	-	-	-	-	-	-	2,529,061
	-	-	99,396	3,936	-	-	-	299,096	-	-	-	-	-	402,428
	-	-	-	-	-	-	-	-	-	-	-	-	-	6,737,142
	763,537	61,469	99,396	3,936	-	-	191,893	299,096	813,241	130,374	79,892	856	78,740	49,589,240
	$ 763,537	$ 92,909	$ 99,396	$ 84,655	$ 85,123	$ 14,297	$ 191,893	$ 1,519,754	$ 831,329	$ 136,744	$ 80,011	$ 856	$ 78,740	$ 52,032,823

Town of Flower Mound, Texas
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended September 30, 2024

	Special Revenue											
	Library Development	Formerly non-major fund TIRZ	Park Development	Tree Preservation	PEG	Street Maintenance	Parks 4B	Crime District	Fire District	Flower Mound Log Cabin	Police Seizure	IRS Equitable Sharing
REVENUES												
Franchise fees	$ -	$ -	$ -	$ -	$ 103,965	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Intergovernmental	-	-	-	-	-	-	-	-	-	-	-	-
Sales tax	-	-	-	-	-	4,743,567	4,743,567	4,696,347	4,685,061	-	-	-
Hotel occupancy tax	-	-	-	-	-	-	-	-	-	-	-	-
Licenses, permits and fees	-	-	-	172,825	-	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-	-	-	-	-	-	-	-
Investment earnings	6,618	-	356,211	117,405	42,469	926,337	501,213	226,094	134,456	-	-	-
Memorials and contributions	78,783	-	10,900	-	-	-	-	-	-	-	-	-
Other revenue	-	-	286,938	-	-	-	-	-	-	-	-	-
Total Revenues	85,401	-	654,049	290,230	146,434	5,669,904	5,244,780	4,922,441	4,819,517	-	-	-
EXPENDITURES												
Current												
Parks & recreation services	-	-	-	240,829	-	-	4,415,469	-	-	-	-	-
Library services	48,147	-	-	-	-	-	-	-	-	-	-	-
Police services	-	-	-	-	-	-	-	4,102,736	-	-	-	-
Financial services	-	-	-	-	-	-	-	-	-	-	-	-
Administrative Services	-	-	-	-	-	-	-	-	-	-	-	-
Fire and emergency services	-	-	-	-	-	-	-	-	3,828,479	-	-	-
Environmental services	-	-	-	-	-	-	-	-	-	-	-	-
Communications	-	-	-	-	83,816	-	-	-	-	-	-	-
Public works	-	-	-	-	-	2,984,164	-	-	-	-	-	-
Total Expenditures	48,147	-	-	240,829	83,816	2,984,164	4,415,469	4,102,736	3,828,479	-	-	-
Excess (deficiency) of revenues over (under) expenditures	37,254	-	654,049	49,401	62,618	2,685,740	829,311	819,705	991,038	-	-	-
OTHER FINANCING SOURCES (USES)												
Transfers in	-	-	-	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	(570,200)	-	(40,000)	-	(23,024)	-
Total other financing sources and uses	-	-	-	-	-	-	(570,200)	-	(40,000)	-	(23,024)	-
Net change in fund balances	37,254	-	654,049	49,401	62,618	2,685,740	259,111	819,705	951,038	-	(23,024)	-
Fund balances - beginning, as previously presented	60,054	20,636,815	6,083,093	2,190,459	783,541	15,716,466	9,625,687	4,399,799	2,666,440	18,150	23,024	4,205
Adjustments (Note 15)	-	(20,636,815)	-	-	-	-	-	-	-	-	-	-
Fund balances - beginning, as restated	60,054	-	6,083,093	2,190,459	783,541	15,716,466	9,625,687	4,399,799	2,666,440	18,150	23,024	4,205
Fund balances - ending	$ 97,308	$ -	$ 6,737,142	$ 2,239,860	$ 846,159	$ 18,402,206	$ 9,884,798	$ 5,219,504	$ 3,617,478	$ 18,150	$ -	$ 4,205

Special Revenue														
Justice Seizures	Chapter 59 Seizures	Animal Care	Opioid Settlements	CDBG-HUD Grant	Grants	Neighborhood Improvement	COVID-19	Hotel Occupancy Tax	Municipal Court Security	Municipal Court Technology	Municipal Court Jury	Municipal Court Local Youth Diversion	Nonmajor Governmental Funds
$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 103,965
-	-	-	-	203,746	467,360	-	2,048,590	-	-	-	-	-	2,719,696
-	-	-	-	-	-	-	-	-	-	-	-	-	18,868,542
-	-	-	-	-	-	-	-	734,306	-	-	-	-	734,306
-	-	-	-	-	-	-	-	-	-	-	-	-	172,825
-	-	-	-	-	-	99,760	-	-	-	-	-	-	99,760
551,166	42,420	-	-	-	-	-	-	-	36,711	30,160	741	37,081	698,279
23,732	-	5,587	3,936	-	-	9,085	132,506	33,554	7,336	4,434	-	3,342	2,534,315
-	-	9,230	-	-	-	-	-	-	-	-	-	-	98,913
-	70,200	-	-	-	793	-	-	-	-	-	-	-	357,931
574,898	112,620	14,817	3,936	203,746	468,153	108,845	2,181,096	767,860	44,047	34,594	741	40,423	26,388,532
-	-	-	-	216,176	370,350	-	69,228	403,695	-	-	-	-	5,715,747
-	-	-	-	-	7,549	-	81,514	-	-	-	-	-	137,210
27,452	153,861	12,575	-	-	102,645	-	52,807	-	-	-	-	-	4,452,076
-	-	-	-	-	-	-	34,498	-	43,697	43,397	750	24,079	146,421
-	-	-	-	-	-	-	18,571	-	-	-	-	-	18,571
-	-	-	-	-	3,160	-	323,160	-	-	-	-	-	4,154,799
-	-	-	-	-	493	-	6,196	-	-	-	-	-	6,689
-	-	-	-	-	-	-	3,534	-	-	-	-	-	87,350
-	-	-	-	-	-	53,030	894,298	-	-	-	-	-	3,931,492
27,452	153,861	12,575	-	216,176	484,197	53,030	1,483,806	403,695	43,697	43,397	750	24,079	18,650,355
547,446	(41,241)	2,242	3,936	(12,430)	(16,044)	55,815	697,290	364,165	350	(8,803)	(9)	16,344	7,738,177
23,024	-	-	-	-	11,044	-	-	-	-	-	-	-	34,068
-	-	-	-	-	-	-	(564,785)	-	-	-	-	-	(1,198,009)
23,024	-	-	-	-	11,044	-	(564,785)	-	-	-	-	-	(1,163,941)
570,470	(41,241)	2,242	3,936	(12,430)	(5,000)	55,815	132,505	364,165	350	(8,803)	(9)	16,344	6,574,236
193,067	102,710	97,154	-	12,430	5,000	136,078	166,591	449,076	130,024	88,695	865	62,396	63,651,819
-	-	-	-	-	-	-	-	-	-	-	-	-	(20,636,815)
193,067	102,710	97,154	-	12,430	5,000	136,078	166,591	449,076	130,024	88,695	865	62,396	43,015,004
$ 763,537	$ 61,469	$ 99,396	$ 3,936	$ -	$ -	$ 191,893	$ 299,096	$ 813,241	$ 130,374	$ 79,892	$ 856	$ 78,740	$ 49,589,240

Town of Flower Mound, Texas
Library Development Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended September 30, 2024

	Budgeted Amounts		Actual GAAP Amounts	Adjustments Budget Basis	Actual Budget Basis	Variance with Final Budget - Positive (Negative)
	Original	Final				
REVENUE						
Memorials and contributions	$ 15,000	$ 78,000	$ 78,783	$ -	$ 78,783	$ 783
Investment earnings	3,000	3,000	6,618	-	6,618	3,618
Total Revenue	18,000	81,000	85,401	-	85,401	4,401
EXPENDITURES						
Library services	20,000	105,500	48,147	-	48,147	57,353
Total Expenditures	20,000	105,500	48,147	-	48,147	57,353
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	(2,000)	(24,500)	37,254	-	37,254	61,754
FUND BALANCE, BEGINNING OF YEAR	60,054	60,054	60,054	-	60,054	-
FUND BALANCE, END OF YEAR	$ 58,054	$ 35,554	$ 97,308	$ -	$ 97,308	$ 61,754

Town of Flower Mound, Texas
Park Development Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended September 30, 2024

	Budgeted Amounts		Actual GAAP Amounts	Adjustments Budget Basis	Actual Budget Basis	Variance with Final Budget - Positive (Negative)
	Original	Final				
REVENUE						
Investment earnings	$ 150,000	$ 8,000	$ 356,211	$ -	$ 356,211	$ 348,211
Memorials and contributions	-	-	10,900	-	10,900	10,900
Other Revenue	-	-	286,938	-	286,938	286,938
Total Revenue	150,000	8,000	654,049	-	654,049	646,049
EXPENDITURES						
Parks & recreation services	451,633	7,476,192	-	659,587	659,587	6,816,605
Total Expenditures	451,633	7,476,192	-	659,587	659,587	6,816,605
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	(301,633)	(7,468,192)	654,049	(659,587)	(5,538)	7,462,654
FUND BALANCE, BEGINNING OF YEAR	6,083,093	6,083,093	6,083,093	-	6,083,093	-
FUND BALANCE, END OF YEAR	$ 5,781,460	$(1,385,099)	$ 6,737,142	$(659,587)	$ 6,077,555	$ 7,462,654

Town of Flower Mound, Texas
Tree Preservation Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended September 30, 2024

	Budgeted Amounts		Actual GAAP Amounts	Adjustments Budget Basis	Actual Budget Basis	Variance with Final Budget - Positive (Negative)
	Original	Final				
REVENUE						
Licenses, permits and fees	$ -	$ -	$ 172,825	$ -	$ 172,825	$ 172,825
Investment earnings	150,000	150,000	117,405	-	117,405	(32,595)
Total Revenue	150,000	150,000	290,230	-	290,230	140,230
EXPENDITURES						
Parks & recreation services	244,582	264,640	240,829	(11,318)	229,511	35,129
Total Expenditures	244,582	264,640	240,829	(11,318)	229,511	35,129
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	(94,582)	(114,640)	49,401	11,318	60,719	175,359
FUND BALANCE, BEGINNING OF YEAR	2,190,459	2,190,459	2,190,459	-	2,190,459	-
FUND BALANCE, END OF YEAR	$ 2,095,877	$ 2,075,819	$ 2,239,860	$ 11,318	$ 2,251,178	$ 175,359

Town of Flower Mound, Texas
PEG Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended September 30, 2024

	Budgeted Amounts		Actual GAAP Amounts	Adjustments Budget Basis	Actual Budget Basis	Variance with Final Budget - Positive (Negative)
	Original	Final				
REVENUE						
Franchise fees	$ 125,000	$ 125,000	$ 103,965	$ -	$ 103,965	$(21,035)
Investment earnings	15,000	15,000	42,469	-	42,469	27,469
Total Revenue	140,000	140,000	146,434	-	146,434	6,434
EXPENDITURES						
Communications	763,650	765,629	83,816	(1,979)	81,837	683,792
Total Expenditures	763,650	765,629	83,816	(1,979)	81,837	683,792
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	(623,650)	(625,629)	62,618	1,979	64,597	690,226
FUND BALANCE, BEGINNING OF YEAR	783,541	783,541	783,541	-	783,541	-
FUND BALANCE, END OF YEAR	$ 159,891	$ 157,912	$ 846,159	$ 1,979	$ 848,138	$ 690,226

Town of Flower Mound, Texas
Dedicated Sales Tax - Street Maintenance Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended September 30, 2024

	Budgeted Amounts		Actual GAAP Amounts	Adjustments Budget Basis	Actual Budget Basis	Variance with Final Budget - Positive (Negative)
	Original	Final				
REVENUE						
Taxes	$ 4,930,820	$ 4,930,820	$ 4,743,567	$ -	$ 4,743,567	$(187,253)
Investment earnings	300,000	300,000	926,337	-	926,337	626,337
Total Revenue	5,230,820	5,230,820	5,669,904	-	5,669,904	439,084
EXPENDITURES						
Public works	6,612,321	23,019,254	2,984,164	583,522	3,567,686	19,451,568
Total Expenditures	6,612,321	23,019,254	2,984,164	583,522	3,567,686	19,451,568
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	(1,381,501)	(17,788,434)	2,685,740	(583,522)	2,102,218	19,890,652
FUND BALANCE, BEGINNING OF YEAR	15,716,466	15,716,466	15,716,466	-	15,716,466	-
FUND BALANCE, END OF YEAR	$ 14,334,965	$(2,071,968)	$ 18,402,206	$(583,522)	$ 17,818,684	$ 19,890,652

Town of Flower Mound, Texas
Dedicated Sales Tax - Parks 4B Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended September 30, 2024

	Budgeted Amounts		Actual GAAP Amounts	Adjustments Budget Basis	Actual Budget Basis	Variance with Final Budget - Positive (Negative)
	Original	Final				
REVENUE						
Taxes	$ 4,930,820	$ 4,930,820	$ 4,743,567	$ -	$ 4,743,567	$(187,253)
Investment earnings	150,000	150,000	501,213	-	501,213	351,213
Total Revenue	5,080,820	5,080,820	5,244,780	-	5,244,780	163,960
EXPENDITURES						
Parks & recreation services	4,510,620	15,596,540	4,415,469	(60,149)	4,355,320	11,241,220
Total Expenditures	4,510,620	15,596,540	4,415,469	(60,149)	4,355,320	11,241,220
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	570,200	(10,515,720)	829,311	60,149	889,460	11,405,180
OTHER FINANCING SOURCES (USES)						
Transfer out	(570,200)	(570,200)	(570,200)	-	(570,200)	-
Total Other Financing Sources (Uses)	(570,200)	(570,200)	(570,200)	-	(570,200)	-
EXCESS (DEFICIENCY) OF REVENUE AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	-	(11,085,920)	259,111	60,149	319,260	11,405,180
FUND BALANCE, BEGINNING OF YEAR	9,625,687	9,625,687	9,625,687	-	9,625,687	-
FUND BALANCE, END OF YEAR	$ 9,625,687	$(1,460,233)	$ 9,884,798	$ 60,149	$ 9,944,947	$ 11,405,180

Town of Flower Mound, Texas
Dedicated Sales Tax - Crime District Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended September 30, 2024

	Budgeted Amounts		Actual GAAP Amounts	Adjustments Budget Basis	Actual Budget Basis	Variance with Final Budget - Positive (Negative)
	Original	Final				
REVENUE						
Taxes	$ 4,879,545	$ 4,879,545	$ 4,696,347	$ -	$ 4,696,347	$(183,198)
Investment earnings	30,000	30,000	226,094	-	226,094	196,094
Other revenue	-	-	-	-	-	-
Total Revenue	4,909,545	4,909,545	4,922,441	-	4,922,441	12,896
EXPENDITURES						
Police services	4,622,212	4,728,269	4,102,736	243,572	4,346,308	381,961
Total Expenditures	4,622,212	4,728,269	4,102,736	243,572	4,346,308	381,961
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	287,333	181,276	819,705	(243,572)	576,133	394,857
OTHER FINANCING SOURCES (USES)						
Operating transfer out	-	(163,000)	-	-	-	163,000
Total Other Financing Sources (Uses)	-	(163,000)	-	-	-	163,000
EXCESS (DEFICIENCY) OF REVENUE AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	287,333	18,276	819,705	(243,572)	576,133	557,857
FUND BALANCE, BEGINNING OF YEAR	4,399,799	4,399,799	4,399,799	-	4,399,799	-
FUND BALANCE, END OF YEAR	$ 4,687,132	$ 4,418,075	$ 5,219,504	$(243,572)	$ 4,975,932	$ 557,857

Town of Flower Mound, Texas
Dedicated Sales Tax - Fire District Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended September 30, 2024

	Budgeted Amounts		Actual GAAP Amounts	Adjustments Budget Basis	Actual Budget Basis	Variance with Final Budget - Positive (Negative)
	Original	Final				
REVENUE						
Taxes	$ 4,869,185	$ 4,869,185	$ 4,685,061	$ -	$ 4,685,061	$(184,124)
Investment earnings	20,000	20,000	134,456	-	134,456	114,456
Total Revenue	4,889,185	4,889,185	4,819,517	-	4,819,517	(69,668)
EXPENDITURES						
Fire and emergency services	3,709,197	3,816,096	3,828,479	(2,192)	3,826,287	(10,191)
Total Expenditures	3,709,197	3,816,096	3,828,479	(2,192)	3,826,287	(10,191)
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	1,179,988	1,073,089	991,038	2,192	993,230	(79,859)
OTHER FINANCING SOURCES (USES)						
Operating transfer out	-	(142,000)	(40,000)	-	(40,000)	102,000
Total Other Financing Sources (Uses)	-	(142,000)	(40,000)	-	(40,000)	102,000
EXCESS (DEFICIENCY) OF REVENUE AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	1,179,988	931,089	951,038	2,192	953,230	22,141
FUND BALANCE, BEGINNING OF YEAR	2,666,440	2,666,440	2,666,440	-	2,666,440	-
FUND BALANCE, END OF YEAR	$ 3,846,428	$ 3,597,529	$ 3,617,478	$ 2,192	$ 3,619,670	$ 22,141

Town of Flower Mound, Texas
Flower Mound Log Cabin Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended September 30, 2024

	Budgeted Amounts		Actual GAAP Amounts	Adjustments Budget Basis	Actual Budget Basis	Variance with Final Budget - Positive (Negative)
	Original	Final				
REVENUE						
Investment earnings	$ -	$ -	$ -	$ -	$ -	$ -
Total Revenue	-	-	-	-	-	-
EXPENDITURES						
Parks & recreation services	-	11,354	-	(1,467)	(1,467)	12,821
Total Expenditures	-	11,354	-	(1,467)	(1,467)	12,821
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	-	(11,354)	-	1,467	1,467	12,821
FUND BALANCE, BEGINNING OF YEAR	18,150	18,150	18,150	-	18,150	-
FUND BALANCE, END OF YEAR	$ 18,150	$ 6,796	$ 18,150	$ 1,467	$ 19,617	$ 12,821

Town of Flower Mound, Texas
Police Seizure Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended September 30, 2024

	Budgeted Amounts		Actual GAAP Amounts	Adjustments Budget Basis	Actual Budget Basis	Variance with Final Budget - Positive (Negative)
	Original	Final				
REVENUE						
Investment earnings	$ -	$ -	$ -	$ -	$ -	$ -
Total Revenue	-	-	-	-	-	-
EXPENDITURES						
Police services	-	-	-	-	-	-
Total Expenditures	-	-	-	-	-	-
OTHER FINANCING SOURCES (USES)						
Operating transfer out	-	-	(23,024)	-	(23,024)	(23,024)
Total Other Financing Sources (Uses)	-	-	(23,024)	-	(23,024)	(23,024)
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	-	-	(23,024)	-	(23,024)	(23,024)
FUND BALANCE, BEGINNING OF YEAR	23,024	23,024	23,024	-	23,024	-
FUND BALANCE, END OF YEAR	$ 23,024	$ 23,024	$ -	$ -	$ -	$(23,024)

Town of Flower Mound, Texas
IRS Equitable Sharing Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended September 30, 2024

	Budgeted Amounts		Actual GAAP Amounts	Adjustments Budget Basis	Actual Budget Basis	Variance with Final Budget - Positive (Negative)
	Original	Final				
REVENUE						
Investment earnings	$ -	$ -	$ -	$ -	$ -	$ -
Total Revenue	-	-	-	-	-	-
EXPENDITURES						
Police services	2,292	2,292	-	(1,467)	(1,467)	3,759
Total Expenditures	2,292	2,292	-	(1,467)	(1,467)	3,759
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	(2,292)	(2,292)	-	1,467	1,467	3,759
FUND BALANCE, BEGINNING OF YEAR	4,205	4,205	4,205	-	4,205	-
FUND BALANCE, END OF YEAR	$ 1,913	$ 1,913	$ 4,205	$ 1,467	$ 5,672	$ 3,759

Town of Flower Mound, Texas
Justice Seizures Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended September 30, 2024

	Budgeted Amounts		Actual GAAP Amounts	Adjustments Budget Basis	Actual Budget Basis	Variance with Final Budget - Positive (Negative)
	Original	Final				
REVENUE						
Fines and forfeitures	$ -	$ 521,000	$ 551,166	$ -	$ 551,166	$ 30,166
Investment earnings	500	15,000	23,732	-	23,732	8,732
Total Revenue	500	536,000	574,898	-	574,898	38,898
EXPENDITURES						
Police services	75,014	633,014	27,452	527,903	555,355	77,659
Total Expenditures	75,014	633,014	27,452	527,903	555,355	77,659
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	(74,514)	(97,014)	547,446	(527,903)	19,543	116,557
OTHER FINANCING SOURCES (USES)						
Operating transfer in	-	-	23,024	-	23,024	23,024
Total Other Financing Sources (Uses)	-	-	23,024	-	23,024	23,024
EXCESS (DEFICIENCY) OF REVENUE AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	(74,514)	(97,014)	570,470	(527,903)	42,567	139,581
FUND BALANCE, BEGINNING OF YEAR	193,067	193,067	193,067	-	193,067	-
FUND BALANCE, END OF YEAR	$ 118,553	$ 96,053	$ 763,537	$(527,903)	$ 235,634	$ 139,581

Town of Flower Mound, Texas
Chapter 59 Seizures Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended September 30, 2024

	Budgeted Amounts		Actual GAAP Amounts	Adjustments Budget Basis	Actual Budget Basis	Variance with Final Budget - Positive (Negative)
	Original	Final				
REVENUE						
Fines and forfeitures	$ -	$ 23,020	$ 42,420	$ -	$ 42,420	$ 19,400
Other revenue		70,200	70,200	-	70,200	-
Total Revenue	-	93,220	112,620	-	112,620	19,400
EXPENDITURES						
Police services	48,445	171,665	153,861	-	153,861	17,804
Total Expenditures	48,445	171,665	153,861	-	153,861	17,804
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	(48,445)	(78,445)	(41,241)	-	(41,241)	37,204
FUND BALANCE, BEGINNING OF YEAR	102,710	102,710	102,710	-	102,710	-
FUND BALANCE, END OF YEAR	$ 54,265	$ 24,265	$ 61,469	$ -	$ 61,469	$ 37,204

Town of Flower Mound, Texas
Animal Care Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended September 30, 2024

	Budgeted Amounts		Actual GAAP Amounts	Adjustments Budget Basis	Actual Budget Basis	Variance with Final Budget - Positive (Negative)
	Original	Final				
REVENUE						
Investment earnings	$ 1,000	$ 1,000	$ 5,587	$ -	$ 5,587	$ 4,587
Memorials and contributions	8,000	8,000	9,230	-	9,230	1,230
Total Revenue	9,000	9,000	14,817	-	14,817	5,817
EXPENDITURES						
Police services	29,500	29,500	12,575	-	12,575	16,925
Total Expenditures	29,500	29,500	12,575	-	12,575	16,925
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	(20,500)	(20,500)	2,242	-	2,242	22,742
FUND BALANCE, BEGINNING OF YEAR	97,154	97,154	97,154	-	97,154	-
FUND BALANCE, END OF YEAR	$ 76,654	$ 76,654	$ 99,396	$ -	$ 99,396	$ 22,742

Town of Flower Mound, Texas
Opioid Grant Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended September 30, 2024

	Budgeted Amounts		Actual GAAP Amounts	Adjustments Budget Basis	Actual Budget Basis	Variance with Final Budget - Positive (Negative)
	Original	Final				
REVENUE						
Investment earnings	$ -	$ -	$ 3,936	$ -	$ 3,936	$ 3,936
Total Revenue	-	-	3,936	-	3,936	3,936
EXPENDITURES						
Police Services	67,573	67,573	-	-	-	67,573
Total Expenditures	67,573	67,573	-	-	-	67,573
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	(67,573)	(67,573)	3,936	-	3,936	71,509
FUND BALANCE, BEGINNING OF YEAR	-	-	-	-	-	-
FUND BALANCE, END OF YEAR	$(67,573)	$(67,573)	$ 3,936	$ -	$ 3,936	$ 71,509

Town of Flower Mound, Texas
CDBG-HUD Grant Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended September 30, 2024

	Budgeted Amounts		Actual GAAP Amounts	Adjustments Budget Basis	Actual Budget Basis	Variance with Final Budget - Positive (Negative)
	Original	Final				
REVENUE						
Intergovernmental	$ 278,855	$ 278,855	$ 203,746	$ -	$ 203,746	$(75,109)
Total Revenue	278,855	278,855	203,746	-	203,746	(75,109)
EXPENDITURES						
Parks & recreation services	278,855	410,236	216,176	(474)	215,702	194,534
Total Expenditures	278,855	410,236	216,176	(474)	215,702	194,534
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	-	(131,381)	(12,430)	474	(11,956)	119,425
FUND BALANCE, BEGINNING OF YEAR	12,430	12,430	12,430	-	12,430	-
FUND BALANCE, END OF YEAR	$ 12,430	$(118,951)	$ -	$ 474	$ 474	$ 119,425

Town of Flower Mound, Texas
Grants Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended September 30, 2024

	Budgeted Amounts		Actual GAAP Amounts	Adjustments Budget Basis	Actual Budget Basis	Variance with Final Budget - Positive (Negative)
	Original	Final				
REVENUE						
Intergovernmental revenue	$ -	$ 125,310	$ 467,360	$ -	$ 467,360	$ 342,050
Other revenue	-	793	793	-	793	-
Total Revenue	-	126,103	468,153	-	468,153	342,050
EXPENDITURES						
Parks & recreation services	-	1,825,788	370,350	(486,593)	(116,243)	1,942,031
Police services	-	102,645	102,645	-	102,645	-
Library services	-	10,300	7,549	-	7,549	2,751
Fire and emergency services	-	3,160	3,160	-	3,160	-
Environmental services	-	493	493	-	493	-
Total Expenditures	-	1,942,386	484,197	(486,593)	(2,396)	1,944,782
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	-	(1,816,283)	(16,044)	486,593	470,549	2,286,832
OTHER FINANCING SOURCES (USES)						
Transfer in	-	19,559	11,044	-	11,044	(8,515)
Total Other Financing Sources (Uses)	-	19,559	11,044	-	11,044	(8,515)
EXCESS (DEFICIENCY) OF REVENUE AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	-	(1,796,724)	(5,000)	486,593	481,593	2,278,317
FUND BALANCE, BEGINNING OF YEAR	5,000	5,000	5,000	-	5,000	-
FUND BALANCE, END OF YEAR	$ 5,000	$(1,791,724)	$ -	$ 486,593	$ 486,593	$ 2,278,317

Town of Flower Mound, Texas
Neighborhood Improvement Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended September 30, 2024

	Budgeted Amounts		Actual GAAP Amounts	Adjustments Budget Basis	Actual Budget Basis	Variance with Final Budget - Positive (Negative)
	Original	Final				
REVENUE						
Charges for services	$ 75,150	$ 75,150	$ 99,760	$ -	$ 99,760	$ 24,610
Investment earnings	1,000	1,000	9,085	-	9,085	8,085
Total Revenue	76,150	76,150	108,845	-	108,845	32,695
EXPENDITURES						
Public works	130,000	130,000	53,030	-	53,030	76,970
Total Expenditures	130,000	130,000	53,030	-	53,030	76,970
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	(53,850)	(53,850)	55,815	-	55,815	109,665
FUND BALANCE, BEGINNING OF YEAR	136,078	136,078	136,078	-	136,078	-
FUND BALANCE, END OF YEAR	$ 82,228	$ 82,228	$ 191,893	$ -	$ 191,893	$ 109,665

Town of Flower Mound, Texas
COVID-19 Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended September 30, 2024

	Budgeted Amounts		Actual GAAP Amounts	Adjustments Budget Basis	Actual Budget Basis	Variance with Final Budget - Positive (Negative)
	Original	Final				
REVENUE						
Intergovernmental revenue	$ -	$ -	$ 2,048,590	$ -	$ 2,048,590	$ 2,048,590
Investment earnings	20,000	121,284	132,506	-	132,506	11,222
Total Revenue	20,000	121,284	2,181,096	-	2,181,096	2,059,812
EXPENDITURES						
Parks & recreation services	-	453,038	69,228	400,000	469,228	(16,190)
Library services	-	170,256	81,514	95,240	176,754	(6,498)
Police services	-	-	52,807	-	52,807	(52,807)
Financial services	-	23,433	34,498	-	34,498	(11,065)
Administrative services	-	15,720	18,571	4,860	23,431	(7,711)
Fire and emergency services	-	81,000	323,160	-	323,160	(242,160)
Communications	-	-	3,534	-	3,534	(3,534)
Public Works	2,202,848	2,013,074	894,298	307,540	1,201,838	811,236
Environmental Services	-	-	6,196			
Total Expenditures	2,202,848	2,756,521	1,483,806	807,640	2,285,250	471,271
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	(2,182,848)	(2,635,237)	697,290	(807,640)	(104,154)	2,531,083
OTHER FINANCING SOURCES (USES)						
Transfer out	-	(172,780)	(564,785)	-	(564,785)	(392,005)
Total Other Financing Sources (Uses)	-	(172,780)	(564,785)	-	(564,785)	(392,005)
EXCESS (DEFICIENCY) OF REVENUE AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	(2,182,848)	(2,808,017)	132,505	(807,640)	(668,939)	2,139,078
FUND BALANCE, BEGINNING OF YEAR	166,591	166,591	166,591	-	166,591	-
FUND BALANCE, END OF YEAR	$(2,016,257)	$(2,641,426)	$ 299,096	$(807,640)	$(502,348)	$ 2,139,078

Town of Flower Mound, Texas
Hotel Occupancy Tax Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended September 30, 2024

	Budgeted Amounts		Actual GAAP Amounts	Adjustments Budget Basis	Actual Budget Basis	Variance with Final Budget - Positive (Negative)
	Original	Final				
REVENUE						
Hotel occupancy tax	$ 460,000	$ 460,000	$ 734,306	$ -	$ 734,306	$ 274,306
Investment earnings	5,000	5,000	33,554	-	33,554	28,554
Total Revenue	465,000	465,000	767,860	-	767,860	302,860
EXPENDITURES						
Parks & recreation services	415,000	415,000	403,695	-	403,695	11,305
Total Expenditures	415,000	415,000	403,695	-	403,695	11,305
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	50,000	50,000	364,165	-	364,165	314,165
FUND BALANCE, BEGINNING OF YEAR	449,076	449,076	449,076	-	449,076	-
FUND BALANCE, END OF YEAR	$ 499,076	$ 499,076	$ 813,241	$ -	$ 813,241	$ 314,165

Town of Flower Mound, Texas
Municipal Court Security Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended September 30, 2024

	Budgeted Amounts		Actual GAAP Amounts	Adjustments Budget Basis	Actual Budget Basis	Variance with Final Budget - Positive (Negative)
	Original	Final				
REVENUE						
Fines and forfeitures	$ 35,520	$ 35,520	$ 36,711	$ -	$ 36,711	$ 1,191
Investment earnings	2,500	2,500	7,336	-	7,336	4,836
Total Revenue	38,020	38,020	44,047	-	44,047	6,027
EXPENDITURES						
Financial services	51,100	51,100	43,697	-	43,697	7,403
Total Expenditures	51,100	51,100	43,697	-	43,697	7,403
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	(13,080)	(13,080)	350	-	350	13,430
FUND BALANCE, BEGINNING OF YEAR	130,024	130,024	130,024	-	130,024	-
FUND BALANCE, END OF YEAR	$ 116,944	$ 116,944	$ 130,374	$ -	$ 130,374	$ 13,430

Town of Flower Mound, Texas
Municipal Court Technology Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended September 30, 2024

	Budgeted Amounts		Actual GAAP Amounts	Adjustments Budget Basis	Actual Budget Basis	Variance with Final Budget - Positive (Negative)
	Original	Final				
REVENUE						
Fines and forfeitures	$ 29,275	$ 29,275	$ 30,160	$ -	$ 30,160	$ 885
Investment earnings	1,500	1,500	4,434	-	4,434	2,934
Total Revenue	30,775	30,775	34,594	-	34,594	3,819
EXPENDITURES						
Financial services	34,750	43,400	43,397	-	43,397	3
Total Expenditures	34,750	43,400	43,397	-	43,397	3
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	(3,975)	(12,625)	(8,803)	-	(8,803)	3,822
FUND BALANCE, BEGINNING OF YEAR	88,695	88,695	88,695	-	88,695	-
FUND BALANCE, END OF YEAR	$ 84,720	$ 76,070	$ 79,892	$ -	$ 79,892	$ 3,822

Town of Flower Mound, Texas
Municipal Court Jury Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended September 30, 2024

	Budgeted Amounts		Actual GAAP Amounts	Adjustments Budget Basis	Actual Budget Basis	Variance with Final Budget - Positive (Negative)
	Original	Final				
REVENUE						
Fines and forfeitures	$ 715	$ 715	$ 741	$ -	$ 741	$ 26
Total Revenue	715	715	741	-	741	26
EXPENDITURES						
Financial services	750	750	750	-	750	-
Total Expenditures	750	750	750	-	750	-
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	(35)	(35)	(9)	-	(9)	26
FUND BALANCE, BEGINNING OF YEAR	865	865	865	-	865	-
FUND BALANCE, END OF YEAR	$ 830	$ 830	$ 856	$ -	$ 856	$ 26

Town of Flower Mound, Texas
Municipal Court Local Youth Diversion Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended September 30, 2024

	Budgeted Amounts		Actual GAAP Amounts	Adjustments Budget Basis	Actual Budget Basis	Variance with Final Budget - Positive (Negative)
	Original	Final				
REVENUE						
Fines and forfeitures	$ 35,690	$ 35,690	$ 37,081	$ -	$ 37,081	$ 1,391
Investment earnings	750	750	3,342	-	3,342	2,592
Total Revenue	36,440	36,440	40,423	-	40,423	3,983
EXPENDITURES						
Financial services	35,000	35,000	24,079	-	24,079	10,921
Total Expenditures	35,000	35,000	24,079	-	24,079	10,921
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	1,440	1,440	16,344	-	16,344	14,904
FUND BALANCE, BEGINNING OF YEAR	62,396	62,396	62,396	-	62,396	-
FUND BALANCE, END OF YEAR	$ 63,836	$ 63,836	$ 78,740	$ -	$ 78,740	$ 14,904

Town of Flower Mound, Texas
Combining Statement of Net Position
All Internal Service Funds
September 30, 2024

	Flexible Benefit Fund	Vehicle, Equipment & Technology Replacement Fund	Total
ASSETS			
Current assets:			
Cash and cash equivalents	$ 1,661,773	$ 6,435,714	$ 8,097,487
Investments	2,153,865	8,416,652	10,570,517
Receivables (net of allowances for estimated uncollectibles):			
Accounts	49,715	3,044	52,759
Total current assets	3,865,353	14,855,410	18,720,763
Total Assets	3,865,353	14,855,410	18,720,763
LIABILITIES			
Current liabilities:			
Accounts payable	30,196	233,855	264,051
Estimated health claims	1,495,799	-	1,495,799
Accrued interest payable	-	-	-
Total current liabilities	1,525,995	233,855	1,759,850
Total Liabilities	1,525,995	233,855	1,759,850
NET POSITION			
Unrestricted	2,339,358	14,621,555	16,960,913
Total net position	$ 2,339,358	$ 14,621,555	$ 16,960,913

Town of Flower Mound, Texas
Combining Statement of Revenues, Expenses, and Changes in Fund Net Position
All Internal Service Funds
For the Year Ended September 30, 2024

	Health Insurance & Flexible Benefit Fund	Vehicle, Equipment & Technology Replacement Fund	Total
Operating revenues:			
Charges for services	$ 18,289,585	$ 2,991,524	$ 21,281,109
Other	-	231,072	231,072
Total operating revenue	18,289,585	3,222,596	21,512,181
Operating expenses:			
Maintenance and operations	-	5,642,512	5,642,512
Health insurance and flexible benefits	16,359,810	-	16,359,810
Total operating expenses	16,359,810	5,642,512	22,002,322
Operating income	1,929,775	(2,419,916)	(490,141)
Nonoperating revenues (expenses):			
Interest income	193,346	812,532	1,005,878
Total nonoperating revenue (expenses)	193,346	812,532	1,005,878
Income before contributions and transfers	2,123,121	(1,607,384)	515,737
Transfers out	-	(137,697)	(137,697)
Change in net position	2,123,121	(1,745,081)	378,040
Total net position - beginning	216,237	16,366,636	16,582,873
Total net position - ending	$ 2,339,358	$ 14,621,555	$ 16,960,913

Town of Flower Mound, Texas
Combining Statement of Cash Flows
All Internal Service Funds
For the Year Ended September 30, 2024

	Health Insurance & Flexible Benefit Fund	Vehicle, Equipment & Technology Replacement Fund	Total
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash received from transactions with other funds	$ 18,239,870	$ 3,357,249	$ 21,597,119
Cash paid for goods and services	(5,718,432)	(5,684,359)	(11,402,791)
Cash paid for claims	(10,556,441)	-	(10,556,441)
Net cash provided (used) by operating activities	1,964,997	(2,327,110)	(362,113)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Transfers from other funds	-	-	-
Transfers to other funds	-	(137,697)	(137,697)
Net cash provided (used) by capital and related financing activities	-	(137,697)	(137,697)
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from sale and maturities of investment securities	-	-	-
Purchase of investment securities	(1,120,390)	(622,055)	(1,742,445)
Interest received	193,346	812,532	1,005,878
Net cash provided (used) by investing activities	(927,044)	190,477	(736,567)
Net increase in cash and cash equivalents	1,037,953	(2,274,330)	(1,236,377)
Cash and cash equivalents, October 1	623,820	8,710,044	9,333,864
Cash and cash equivalents, September 30	$ 1,661,773	$ 6,435,714	$ 8,097,487
Reconciliation of operating income to net cash provided (used) by operating activities:			
Operating income (loss)	$ 1,929,775	$ (2,419,916)	$ (490,141)
Adjustments to reconcile operating income to net cash provided (used) by operating activities:			
Change in assets and liabilities			
Decrease (Increase) in trade receivables	(49,715)	(3,044)	(52,759)
Increase (Decrease) in accounts payable and accrued liabilities	84,937	95,850	180,787
Total adjustments	35,222	92,806	128,028
Net cash provided (used) by operating activities	$ 1,964,997	$ (2,327,110)	$ (362,113)

TOWN OF FLOWER MOUND, TEXAS
STATISTICAL SECTION

This part of the Town of Flower Mound's annual comprehensive financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the government's overall financial health.

Contents **Page**

Financial Trends 126

These schedules contain trend information to help the reader understand how the government's financial performance and well-being have changed over time.

Revenue Capacity 134

These schedules contain information to help the reader assess the government's most significant local revenue source, the property tax.

Debt Capacity 140

These schedules present information to help the reader assess the affordability of the government's current levels of outstanding debt and the government's ability to issue additional debt in the future.

Demographic and Economic Information 145

These schedules offer demographic and economic indicators to help the reader understand the environment within which the government's financial activities take place.

Operating Information 146

These schedules contain service and infrastructure data to help the reader understand how the information in the government's financial report relates to the services the government provides and the activities it performs.

Sources: Unless otherwise noted, the information in these schedules is derived from the annual comprehensive financial reports for the relevant year.

Town of Flower Mound, Texas
Net Position by Component
Last Ten Fiscal Years
(accrual basis of accounting)
(unaudited)

	Fiscal Year			
	2015	**2016**	**2017**	**2018**
Governmental Activities				
Net investment in capital assets	$ 188,789,944	$ 202,543,406	$ 230,421,353	$ 271,744,498
Restricted	25,308,366	27,217,009	36,676,874	40,469,469
Unrestricted	31,910,667	28,577,413	16,371,786	8,344,796
Total governmental activities net position	$ 246,008,977	$ 258,337,828	$ 283,470,013	$ 320,558,763
Business-type activities				
Net investment in capital assets	$ 118,357,125	$ 126,551,908	$ 138,553,283	$ 145,749,885
Restricted	1,227,110	-	-	-
Unrestricted	19,427,428	18,002,680	16,986,793	21,282,106
Total business-type activities net position	$ 139,011,663	$ 144,554,588	$ 155,540,076	$ 167,031,991
Primary government				
Net investment in capital assets	$ 307,147,069	$ 329,095,314	$ 368,974,636	$ 417,494,383
Restricted	26,535,476	27,217,009	36,676,874	40,469,469
Unrestricted	51,338,095	46,580,093	33,358,579	29,626,902
Total primary government net position	$ 385,020,640	$ 402,892,416	$ 439,010,089	$ 487,590,754

Fiscal Year					
2019	2020	2021	2022	2023	2024
$ 274,850,281	$ 284,502,370	$ 295,048,373	$ 308,572,131	$ 321,761,029	$ 342,979,690
42,179,244	45,967,635	53,616,906	58,614,169	69,602,155	79,153,252
30,563,245	32,776,066	39,178,699	49,884,164	56,636,524	45,972,614
$ 347,592,770	$ 363,246,071	$ 387,843,978	$ 417,070,464	$ 447,999,708	$ 468,105,556
$ 143,033,465	$ 146,438,852	$ 150,778,480	$ 152,840,348	$ 155,694,087	$ 166,460,940
21,457,609	24,814,356	27,003,287	28,893,868	30,191,619	25,697,321
11,607,987	11,992,793	10,911,823	17,846,772	26,782,704	27,413,743
$ 176,099,061	$ 183,246,001	$ 188,693,590	$ 199,580,988	$ 212,668,410	$ 219,572,004
$ 417,883,746	$ 430,941,222	$ 445,826,853	$ 461,412,479	$ 477,455,116	$ 509,440,630
63,636,853	70,781,991	80,620,193	87,508,037	99,793,774	104,850,573
42,171,232	44,768,859	50,090,522	67,730,936	83,419,228	73,386,357
$ 523,691,831	$ 546,492,072	$ 576,537,568	$ 616,651,452	$ 660,668,118	$ 687,677,560

Town of Flower Mound, Texas
Changes in Net Position
Last Ten Fiscal Years
(accrual basis of accounting)
(unaudited)

	Fiscal Year			
	2015	2016	2017	2018
Expenses				
Governmental activities:				
Town manager's office	$ 2,710,185	$ 2,794,319	$ 2,931,578	$ 3,201,156
Legislative services	420,248	452,165	664,969	1,041,158
Development services	2,127,945	2,190,178	2,293,593	3,056,531
Parks & recreation services	13,099,658	7,220,132	13,082,357	6,743,384
Library services	-	-	-	-
Police services	13,636,237	14,942,215	15,684,683	17,070,265
Financial services	3,410,121	3,619,248	3,655,549	2,584,378
Administrative services	5,401,704	5,490,036	5,883,895	5,870,601
Fire and emergency services	13,404,744	16,043,210	17,298,859	16,762,366
Communications	835,127	816,871	784,921	736,150
Public works	1,480,041	18,685,536	12,763,676	16,572,455
Environmental services	1,309,252	1,417,981	1,514,141	1,515,323
Interest on long-term debt	2,048,454	2,166,224	1,976,019	2,510,411
Total governmental activities expenses	59,883,716	75,838,115	78,534,240	77,664,178
Business-type activities:				
Utilities	37,704,865	41,019,967	39,100,879	43,265,124
Total business-type activities expenses	37,704,865	41,019,967	39,100,879	43,265,124
Total primary government expenses	$ 97,588,581	$ 116,858,082	$ 117,635,119	$ 120,929,302
Program Revenues				
Governmental activities:				
Charges for services:				
Town manager's office	$ -	$ 99,045	$ 26,399	$ 37,807
Legislative services	13,917	16,314	25,308	23,448
Development services	2,047,297	2,041,912	2,360,325	2,310,183
Parks & recreation services	2,300,345	2,340,095	2,389,950	3,984,991
Library services	-	-	-	-
Police services	441,151	448,882	516,711	536,449
Financial services	939,602	829,306	1,014,759	1,309,723
Fire and emergency services	892,032	878,476	1,306,594	1,342,585
Public works	442,777	780,723	533,319	381,088
Environmental services	458,834	486,364	483,490	435,039
Operating grants and contributions	2,248,278	1,561,498	2,667,162	374,203
Capital grants and contributions	2,313,210	9,079,280	15,883,383	22,774,091
Total governmental activities program revenues	12,097,443	18,561,895	27,207,400	33,509,607
Business-type activities:				
Charges for services:				
Utilities	37,913,395	39,717,976	42,267,497	46,091,632
Capital grants and contributions	9,822,924	8,098,696	9,222,359	9,988,175
Total business-type activities program revenues	47,736,319	47,816,672	51,489,856	56,079,807
Total primary government program revenues	$ 59,833,762	$ 66,378,567	$ 78,697,256	$ 89,589,414
Net (expense)/revenue				
Governmental activities	$ (47,786,273)	$ (57,276,220)	$ (51,326,840)	$ (44,154,571)
Business-type activities	10,031,454	6,796,705	12,388,977	12,814,683
Total primary government net expense	$ (37,754,819)	$ (50,479,515)	$ (38,937,863)	$ (31,339,888)
General Revenues and Other Changes in Net Position				
Governmental activities:				
Taxes				
Property taxes	$ 36,055,874	$ 39,266,228	$ 43,632,879	$ 47,498,500
Sales tax	20,559,174	21,459,819	23,612,871	24,282,172
Occupancy tax	142	-	4,151	295,026
Franchise tax	6,351,221	5,810,150	5,617,437	6,082,737
Alcoholic beverage taxes	157,443	210,589	217,777	253,845
Investment earnings	87,924	277,366	710,654	1,768,842
Miscellaneous	1,516,422	698,314	662,960	967,743
Transfers	2,017,494	1,882,605	2,000,296	2,009,653
Total governmental activities	66,745,694	69,605,071	76,459,025	83,158,518
Business-type activities:				
Investment earnings	35,434	105,338	275,492	627,308
Miscellaneous	1,841,791	523,487	321,315	369,510
Transfers	(2,017,494)	(1,882,605)	(2,000,296)	(2,009,653)
Total business-type activities	(140,269)	(1,253,780)	(1,403,489)	(1,012,835)
Total primary government	$ 66,605,425	$ 68,351,291	$ 75,055,536	$ 82,145,683
Change in Net Position				
Governmental activities	$ 18,959,421	$ 12,328,851	$ 25,132,185	$ 39,003,947
Business-type activities	9,891,185	5,542,925	10,985,488	11,801,848
Total primary government	$ 28,850,606	$ 17,871,776	$ 36,117,673	$ 50,805,795

Note: Library Services was previously included with Community Services prior to fiscal year 2019.

Fiscal Year					
2019	2020	2021	2022	2023	2024
$ 3,273,180	$ 3,454,566	$ 4,298,875	$ 3,680,978	$ 3,388,706	$ 4,561,125
524,126	506,395	535,517	513,592	667,367	591,258
1,983,306	2,187,528	2,218,168	2,192,825	2,511,730	2,902,741
12,344,192	7,053,088	15,329,914	18,144,574	16,575,189	18,270,624
1,896,889	1,943,000	1,997,725	2,049,541	2,322,283	2,522,204
18,964,282	17,946,700	19,575,430	21,880,685	24,667,709	25,973,268
4,000,678	4,392,826	3,181,737	4,728,707	5,098,691	6,552,397
6,038,018	6,508,843	6,278,393	7,055,671	7,655,684	9,072,858
20,916,756	20,719,163	23,087,386	23,173,628	28,810,186	29,796,129
806,512	784,176	749,660	753,285	1,022,276	1,012,662
10,155,359	24,568,733	15,315,949	10,213,207	15,174,383	19,604,948
1,487,918	1,509,345	1,491,166	1,543,131	1,511,256	1,751,125
2,449,547	2,332,467	2,015,265	1,741,793	1,489,993	1,226,657
84,840,763	93,906,830	96,075,185	97,671,617	110,895,453	123,837,996
42,723,810	45,970,592	47,920,418	51,170,127	51,443,477	56,216,376
42,723,810	45,970,592	47,920,418	51,170,127	51,443,477	56,216,376
$ 127,564,573	$ 139,877,422	$ 143,995,603	$ 148,841,744	$ 162,338,930	$ 180,054,372
$ 23,847	$ 24,000	$ -	$ -	$ -	$ -
25,519	27,973	26,457	29,887	17,579	16,431
2,157,785	2,382,693	2,562,484	2,645,219	2,032,237	1,742,190
3,657,765	2,616,256	4,115,136	4,334,297	3,575,370	3,176,457
-	-	64,655	64,655	64,655	64,655
906,899	946,479	1,058,012	1,048,299	1,403,800	1,430,348
1,100,410	718,172	1,037,078	1,165,109	1,198,573	1,245,507
1,521,255	1,520,388	1,529,381	2,261,583	4,347,327	4,304,574
438,973	427,204	97,545	92,349	372,671	496,697
207,400	222,902	240,533	465,615	283,532	305,050
183,013	2,239,746	2,313,000	3,601,013	1,239,871	2,984,114
13,214,793	8,183,369	12,039,573	8,643,597	10,647,484	6,611,604
23,437,659	19,309,182	25,083,854	24,351,623	25,183,099	22,377,627
42,418,217	46,600,326	48,509,922	56,273,795	59,995,515	59,239,851
9,103,720	7,382,266	7,029,200	7,728,163	4,114,012	1,973,035
51,521,937	53,982,592	55,539,122	64,001,958	64,109,527	61,212,886
$ 74,959,596	$ 73,291,774	$ 80,622,976	$ 88,353,581	$ 89,292,626	$ 83,590,513
$ (61,403,104)	$ (74,597,648)	$ (70,991,331)	$ (73,319,994)	$ (85,712,354)	$ (101,460,369)
8,798,127	8,012,000	7,618,704	12,831,831	12,666,050	4,996,510
$ (52,604,977)	$ (66,585,648)	$ (63,372,627)	$ (60,488,163)	$ (73,046,304)	$ (96,463,859)
$ 51,056,486	$ 54,639,637	$ 56,852,372	$ 55,478,487	$ 60,960,971	$ 63,095,966
25,286,435	25,360,411	28,861,624	34,929,500	37,369,199	37,844,425
348,307	251,204	302,908	419,080	573,356	734,306
6,370,168	5,688,313	5,521,016	7,038,300	7,348,496	6,980,835
245,537	216,980	322,451	338,037	358,109	376,152
2,791,043	1,417,681	114,893	940,523	6,373,438	8,868,651
1,120,705	787,908	1,011,374	600,368	841,192	1,338,842
1,218,430	1,888,815	2,602,600	2,802,185	2,816,837	2,327,040
88,437,111	90,250,949	95,589,238	102,546,480	116,641,598	121,566,217
1,097,353	643,619	37,797	469,387	2,973,332	3,931,834
390,020	380,136	393,688	388,365	264,877	302,290
(1,218,430)	(1,888,815)	(2,602,600)	(2,802,185)	(2,816,837)	(2,327,040)
268,943	(865,060)	(2,171,115)	(1,944,433)	421,372	1,907,084
$ 88,706,054	$ 89,385,889	$ 93,418,123	$ 100,602,047	$ 117,062,970	$ 123,473,301
$ 27,034,007	$ 15,653,301	$ 24,597,907	$ 29,226,486	$ 30,929,244	$ 20,105,848
9,067,070	7,146,940	5,447,589	10,887,398	13,087,422	6,903,594
$ 36,101,077	$ 22,800,241	$ 30,045,496	$ 40,113,884	$ 44,016,666	$ 27,009,442

Town of Flower Mound, Texas
Fund Balances of Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)
(unaudited)

	Fiscal Year			
	2015	**2016**	**2017**	**2018**
General fund				
Nonspendable	$ 336,250	$ 927,238	$ 604,846	$ 743,791
Committed	-	-	-	-
Assigned	-	-	-	2,146,865
Unassigned	16,553,717	15,256,717	16,493,062	16,053,558
Total general fund	$ 16,889,967	$ 16,183,955	$ 17,097,908	$ 18,944,214
All other governmental funds				
Nonspendable	$ -	$ -	$ -	$ -
Restricted	32,125,157	34,876,744	59,384,479	63,258,446
Committed	5,457,481	6,251,679	7,733,984	9,848,445
Unassigned	3,081,272	3,794,488	-	-
Total all other governmental funds	$ 40,663,910	$ 44,922,911	$ 67,118,463	$ 73,106,891

Fiscal Year					
2019	2020	2021	2022	2023	2024
$ 655,344	$ 654,839	$ 768,565	$ 972,077	$ 1,305,881	$ 1,166,507
400,000	800,000	393,870	-	-	-
3,745,079	-	-	-	-	-
16,670,607	21,309,816	26,694,568	34,011,095	40,627,948	33,465,024
$ 21,471,030	$ 22,764,655	$ 27,857,003	$ 34,983,172	$ 41,933,829	$ 34,631,531
$ -	$ -	$ 1,819	$ -	$ -	$ -
62,512,244	53,372,864	58,859,863	62,440,369	73,745,513	82,698,570
10,032,496	14,236,071	15,199,428	15,840,913	17,043,168	15,448,541
-	-	-	-	-	-
$ 72,544,740	$ 67,608,935	$ 74,061,110	$ 78,281,282	$ 90,788,681	$ 98,147,111

Town of Flower Mound, Texas
Changes in Fund Balance of Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)
(unaudited)

	Fiscal Year			
	2015	2016	2017	2018
Revenues				
Taxes				
Ad valorem	$ 36,027,958	$ 39,190,207	$ 43,677,863	$ 47,496,936
Sales	20,559,174	21,459,819	23,612,871	24,282,172
Franchise	6,263,322	5,810,149	5,741,937	6,050,502
Alcoholic beverage	157,443	210,589	217,777	253,845
Hotel Occupancy	142	-	4,151	295,026
Licenses, permits and fees	2,660,155	2,884,561	4,046,052	4,415,494
Intergovernmental	810,727	1,072,176	1,209,747	7,868,976
Impact fees	2,064,618	1,890,116	1,260,099	1,932,157
Charges for services	3,526,909	3,898,400	3,942,536	4,088,750
Fines and forfeits	2,008,030	953,395	1,080,787	1,435,162
Investment earnings	74,421	242,860	630,619	1,578,256
Memorials and contributions	1,069,943	1,260,516	1,126,082	69,743
Other revenue	1,534,940	811,828	864,237	1,072,625
Total revenues	76,757,782	79,684,616	87,414,758	100,839,644
Expenditures				
Current				
Administrative services	5,336,457	5,506,250	5,760,794	5,827,091
Town manager's office	2,690,460	2,750,950	2,896,132	3,175,070
Legislative services	408,533	433,984	492,664	480,450
Development services	1,923,021	1,975,057	2,179,452	2,250,563
Parks & recreation services	14,133,521	14,500,298	12,262,792	14,408,210
Library services	-	-	-	-
Police services	14,607,856	14,999,695	15,409,491	16,507,737
Financial services	3,297,105	3,319,541	3,408,226	3,326,780
Fire and Emergency services	13,153,346	15,421,455	17,761,446	18,645,235
Communications	827,105	883,205	706,255	732,237
Infrastructure services	-	-	-	-
Public works	4,968,970	6,716,275	8,342,275	7,068,851
Environmental services	1,283,872	1,372,669	1,457,040	1,496,868
Capital projects	3,421,644	5,702,293	11,278,456	26,506,531
Debt service				
Principal	6,365,000	6,395,000	6,925,000	9,270,000
Interest and fiscal charges	4,974,162	2,513,803	2,407,368	3,020,353
Total expenditures	77,391,052	82,490,475	91,287,391	112,715,976
Excess of revenues over (under) expenditures	(633,270)	(2,805,859)	(3,872,633)	(11,876,332)
Other financing sources (uses)				
Issuance of general debt obligation	6,985,000	3,880,000	22,815,000	16,665,000
Refunded bonds issued	20,170,000	8,525,000	-	-
Premium on bonds	3,396,053	1,755,420	2,197,443	1,051,413
Payment to escrow	(20,170,000)	(9,653,577)	-	-
Subscription financing	-	-	-	-
Transfers in	2,398,358	5,107,928	2,729,452	6,056,482
Transfers out	(1,011,464)	(3,255,923)	(759,756)	(4,061,829)
Total other financing sources (uses)	11,767,947	6,358,848	26,982,139	19,711,066
Net change in fund balances	$ 11,134,677	$ 3,552,989	$ 23,109,506	$ 7,834,734
Debt service as a percentage of noncapital expenditures	19.08%	16.43%	13.07%	16.74%

Fiscal Year						
2019	2020	2021	2022	2023	2024
$ 51,054,324	$ 54,486,676	$ 56,731,921	$ 55,540,258	$ 61,083,420	$ 62,850,756
25,286,435	25,360,411	28,861,624	34,929,500	37,369,199	37,844,425
6,174,213	5,812,400	5,528,461	6,969,049	6,967,883	7,027,506
245,537	216,980	322,451	338,037	358,109	376,152
348,307	251,204	302,908	419,080	573,356	734,306
3,546,973	3,795,581	4,216,966	4,867,549	2,867,077	2,308,251
2,031,979	4,190,250	6,373,688	5,443,094	7,411,457	9,441,650
1,090,371	1,306,334	807,008	1,381,721	713,360	839,379
4,285,285	3,293,326	4,099,901	4,684,571	5,038,998	5,512,579
1,179,495	789,871	1,136,869	1,310,953	1,448,344	1,905,764
2,445,383	1,229,295	95,903	827,969	5,685,210	7,862,773
47,018	48,930	14,954	17,884	78,697	101,363
1,129,952	859,003	2,815,279	906,184	877,192	1,480,412
98,865,272	101,640,261	111,307,933	117,635,849	130,472,302	138,285,316
5,966,431	6,396,212	6,197,054	7,144,902	7,761,807	9,959,100
3,210,344	3,431,410	4,249,212	3,733,802	3,261,563	12,069,488
500,810	496,250	535,784	513,223	628,400	594,514
1,954,622	2,075,770	2,162,182	2,212,896	2,390,820	2,924,862
10,864,818	8,718,000	14,837,791	15,585,641	14,073,334	16,878,271
1,822,047	1,774,928	1,967,638	2,086,279	2,183,620	2,571,351
17,857,411	17,563,887	19,299,137	21,254,060	23,080,543	28,217,198
3,664,878	3,719,892	3,732,132	3,683,461	4,136,049	5,008,655
18,544,641	21,543,680	22,695,481	24,386,912	28,679,355	29,345,837
720,241	771,160	733,592	724,229	934,575	1,003,021
-	-	-	-	-	-
11,108,493	10,238,390	9,461,411	11,345,422	13,889,051	15,189,842
1,458,742	1,482,847	1,443,788	1,562,986	1,459,091	1,769,559
15,197,860	17,516,366	3,762,191	4,215,816	2,150,455	7,899,456
9,665,000	8,895,000	8,560,000	7,910,000	8,965,000	9,050,000
3,080,152	3,082,313	2,741,977	2,457,064	409,301	(11,655)
105,616,490	107,706,105	102,379,370	108,816,693	114,002,964	142,469,499
(6,751,218)	(6,065,844)	8,928,563	8,819,156	16,469,338	(4,184,183)
6,050,000	-	-	-	-	385,000
-	3,150,000	-	-	1,640,000	1,955,000
873,403	494,019	-	-	162,930	42,209
-	(3,564,197)	-	-	(1,806,502)	(1,978,800)
-	-	-	-	179,728	1,372,169
7,752,977	10,705,431	4,826,215	5,267,318	5,487,297	4,667,290
(5,960,497)	(8,361,589)	(2,210,255)	(2,740,133)	(2,674,735)	(2,202,553)
8,715,883	2,423,664	2,615,960	2,527,185	2,988,718	4,240,315
$ 1,964,665	$ (3,642,180)	$ 11,544,523	$ 11,346,341	$ 19,458,056	$ 56,132
16.38%	13.92%	12.92%	11.54%	9.72%	8.19%

Town of Flower Mound, Texas
Assessed Value and Estimated Actual Value of Taxable Property
Last Ten Fiscal Years
(unaudited)

Ended September 30	Estimated Market Value		Less: Tax Exempt Real Property	Total Taxable Assessed Value	Total Direct Tax Rate
	Real Property	Personal Property			
2015	$ 7,993,458,807	$ 842,357,983	$ 999,503,936	$ 7,836,312,854	$ 0.4390
2016	8,771,603,727	892,336,206	1,013,378,573	8,650,561,360	0.4390
2017	9,495,030,344	1,040,667,578	1,136,774,763	9,398,923,159	0.4390
2018	10,366,832,694	1,127,919,242	1,164,318,055	10,330,433,881	0.4390
2019	11,242,157,569	1,210,276,383	1,277,805,694	11,174,628,258	0.4390
2020	12,106,967,554	1,380,178,587	1,605,022,089	11,882,124,052	0.4365
2021	12,807,404,846	1,586,102,520	1,732,465,003	12,661,042,363	0.4365
2022	13,605,147,766	1,650,071,907	2,022,416,520	13,232,803,153	0.4050
2023	16,744,433,512	1,849,755,687	3,992,290,957	14,601,898,242	0.4050
2024	18,473,301,378	1,399,929,291	4,113,378,814	15,759,851,855	0.3873

Town of Flower Mound, Texas
Property Tax Rates
Direct and Overlapping Governments
Last Ten Fiscal Years
(unaudited)

	Town of Flower Mound			Overlapping Rates					
Fiscal Year	Basic Rate	General Obligation Debt Service	Total Direct Rate	Lewisville Independent School District	Argyle Independent School District	Denton Independent School District	Northwest Independent School District	Denton County	Total Direct and Overlapping Rates *
2015	$ 0.335350	$0.103650	$ 0.439000	$ 1.477000	$ 1.570050	$ 1.540000	$ 1.452500	$ 0.272200	$ 2.188200
2016	0.331170	0.107830	0.439000	1.476730	1.570050	1.540000	1.452500	0.262000	2.177730
2017	0.337669	0.101331	0.439000	1.420000	1.570050	1.540000	1.452500	0.248409	2.107409
2018	0.339698	0.099302	0.439000	1.407500	1.585050	1.540000	1.490000	0.237812	2.084312
2019	0.346474	0.092526	0.439000	1.407500	1.585050	1.540000	1.490000	0.225574	2.072074
2020	0.354008	0.082492	0.436500	1.337500	1.508000	1.470000	1.420000	0.225278	1.999278
2021	0.347797	0.088703	0.436500	1.347300	1.418700	1.407600	1.336300	0.224985	2.008785
2022	0.350644	0.054356	0.405000	1.308500	1.400000	1.362000	1.292000	0.233086	1.946586
2023	0.360873	0.044127	0.405000	1.236800	1.397600	1.344600	1.274600	0.217543	1.859343
2024	0.348344	0.038956	0.387300	1.130100	1.212200	1.159200	1.090200	0.189485	1.706885

* Total Direct and Overlapping Rates include Town of Flower Mound, Lewisville Independent School District and Denton County since the majority of property tax payers are in the Lewisville Independent School District. Those who are in the other School Districts total rate will vary accordingly

THE TOWN OF
FLOWER MOUND
TEXAS

Town of Flower Mound, Texas
Principal Property Taxpayers
Current Year and Nine Years Ago
(unaudited)

	FY 2023-2024			FY 2013-2014		
Taxpayer	**Taxable Assessed Value**	**Rank**	**Percentage of Total Taxable Assessed Value**	**Taxable Assessed Value**	**Rank**	**Percentage of Total Taxable Assessed Value**
ELAN FLOWER MOUND PHASE II VENTURE LLC	$ 103,333,964	1	0.66%	$ -		-
AVALON LAKESIDE LP	97,400,000	2	0.62%	-		-
CPF PC RIVERWALK LLC	70,835,000	3	0.45%	-		-
DUKE REALTY LP	70,085,375	4	0.44%	-		-
WMCi DALLAS I LLC C/O CHRIS TAYLOR	70,000,000	5	0.44%	-		-
FLOWER MOUND HOSPITAL PARTNERS LLC	64,000,000	6	0.41%	-		-
LIT HW1 LP/LIT LP	62,585,900	7	0.40%	-		-
IPT DALLAS DISTRIBUTION PORTFOLIO LP	61,695,105	8	0.39%	-		-
WOP 301 FLOWER MOUND LLC	60,754,900	9	0.39%	-		-
SRP FLOWER MOUND LLC	53,621,242	10	0.34%	-		-
Robertson's Creek 1031 LLC & RC 1031-West Jordan PR	-		-	46,736,250	1	0.60%
Riverwalk- Price LLC	-		-	31,199,614	2	0.40%
Duke Realty, LP	-		-	30,349,370	3	0.39%
SDCO Highlands Denton County LP	-		-	28,000,000	4	0.36%
LIT HW1 LP	-		-	27,542,612	5	0.35%
SFERS Real Estate Corp MM	-		-	27,366,900	6	0.35%
CRP-3 Corporate Ridge LLC	-		-	27,000,000	7	0.34%
LIT Industrial Texas LTD PS	-		-	26,637,608	8	0.34%
CWS Tridge Mckinney LP ETAL	-		-	24,921,529	9	0.32%
FVLAC Lantana LP ETAL	-		-	24,464,300	10	0.31%
Totals	$ 714,311,486		4.54%	$ 294,218,183		3.76%

Source: Denton Central Appraisal District and Tarrant Appraisal District

Town of Flower Mound, Texas
Property Tax Levies and Collections
Last Ten Fiscal Years
(unaudited)

Fiscal Year Ended September 30	Total Tax Levy for Fiscal Year	Adjustments to Levy in Subsequent Years	Adjusted Tax Levy for Fiscal Year
2015	$ 34,024,901	$ 596,427	$ 34,621,328
2016	37,680,177	171,790	37,851,967
2017	40,193,742	1,714,912	41,908,654
2018	44,774,562	781,485	45,556,047
2019	48,272,632	904,961	49,177,593
2020	50,877,974	1,233,653	52,111,627
2021	53,789,766	722,567	54,512,333
2022	51,665,191	1,503,260	53,168,451
2023	57,850,495	482,544	58,333,039
2024	62,083,219	415,283	60,940,142

Source: Denton County Tax Assessor/Collector Office

Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
Amount	Percentage of Levy		Amount	Percentage of Levy
$ 34,385,162	99.32%	$ 224,015	$ 34,609,177	99.96%
37,654,594	99.48%	175,365	37,829,959	99.94%
41,803,234	99.75%	80,549	41,883,783	99.94%
45,599,813	100.10%	(69,582)	45,530,231	99.94%
49,058,100	99.76%	72,188	49,130,288	99.90%
52,085,844	99.95%	(41,340)	52,044,504	99.87%
54,518,415	100.01%	(44,921)	54,473,494	99.93%
53,077,334	99.83%	43,667	53,121,001	99.91%
58,180,476	99.74%	-	58,180,476	99.74%
60,774,519	99.73%	(320,713)	60,453,806	99.20%

Town of Flower Mound, Texas
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years
(unaudited)

	Governmental Activities			Business-Type Activities						
Fiscal Year	General Obligation Bonds	Certificates of Obligation	SBITA*	General Obligation Bonds	Certificates of Obligation	Revenue Bonds	SBITA*	Total Primary Government	Percentage of Personal Income **	Per Capita **
2015	$ 47,794,421	$ 20,507,646	$ -	$ 7,177,458	$ 62,926,918	$4,740,726	$ -	$143,147,169	2.86%	$ 2,142
2016	45,938,356	20,340,514	-	20,054,833	59,557,648	-	-	145,891,351	2.84%	2,144
2017	39,712,050	44,112,315	-	25,113,546	58,072,477	-	-	167,010,388	3.10%	2,324
2018	33,065,745	58,507,859	-	21,382,846	59,436,958	-	-	172,393,408	3.08%	2,357
2019	26,706,289	61,381,719	-	17,177,145	80,130,019	-	-	185,395,172	3.12%	2,438
2020	25,030,852	53,505,162	-	14,593,656	84,054,802	-	-	177,184,472	2.80%	2,269
2021	19,751,995	49,389,945	-	12,531,873	88,335,875	-	-	170,009,688	2.47%	2,141
2022	15,244,579	45,164,729	-	10,549,387	92,853,008	-	-	163,811,703	2.20%	2,085
2023	13,365,093	39,013,206	733,603	13,907,154	90,670,630	-	36,059	157,725,745	2.14%	1,973
2024	11,755,824	33,024,606	1,197,863	15,206,729	89,346,415	-	-	150,531,437	1.94%	1,865

*Subscription-Based Information Technology Arrangements
** Population and Personal Income figures are listed on the Demographic and Economic Statistics

Town of Flower Mound, Texas
Ratios of Net General Bonded Debt Outstanding
Last Ten Fiscal Years
(unaudited)

Fiscal Year	Governmental Debt	Business-type Debt	Total Bonded Debt	Less: Amounts Available in Debt Service Fund	Total	Percentage of Total Taxable Assessed Value of Property *	Per Capita **
2015	$ 68,302,067	$ 70,104,376	$ 138,406,443	$ 602,949	$ 137,803,494	1.76%	$ 2,062
2016	66,278,870	79,612,481	145,891,351	776,482	145,114,869	1.68%	2,132
2017	83,824,365	83,186,023	167,010,388	951,984	166,058,404	1.77%	2,311
2018	91,573,604	80,819,804	172,393,408	1,127,261	171,266,147	1.66%	2,342
2019	88,088,008	97,307,164	185,395,172	1,290,869	184,104,303	1.65%	2,421
2020	78,536,014	98,648,458	177,184,472	1,499,400	175,685,072	1.57%	2,311
2021	69,141,940	100,867,748	170,009,688	2,264,683	167,745,005	1.32%	2,113
2022	60,409,308	103,402,395	163,811,703	1,354,216	162,457,487	1.23%	2,068
2023	52,378,299	104,577,784	156,956,083	709,997	156,246,086	1.07%	1,955
2024	44,780,430	104,553,144	149,333,574	211,195	149,122,379	0.95%	1,848

* Value of Property figures are listed on the Assessed Value and Estimated Actual Value of Taxable Property Statistics

** Population figures are listed on the Demographic and Economic Statistics

Data to present total debt outstanding as a percentage of personal income is unavailable.

Town of Flower Mound, Texas
Direct and Overlapping Governmental Activities Debt
As of September 30, 2024
(unaudited)

Taxing Body	SBITA*	Bonded Debt**	Percentage of Debt Applicable to Town **	Estimated Share of Direct and Overlapping Debt***
Direct Debt:				
Town of Flower Mound	$ 1,197,863	$ 44,780,430	100.00%	$ 45,978,293
Total Direct Debt	1,197,863	44,780,430		45,978,293
Overlapping Debt:				
Argyle Independent School District		459,812,391	18.59%	85,479,124
Denton County		673,670,000	9.70%	65,345,990
Denton Independent School District		2,104,582,488	0.16%	3,367,332
Grapevine-Colleyville ISD		272,665,659	0.01%	27,267
Lewisville Independent School District		1,411,915,000	26.75%	377,687,263
Northwest Independent School District		2,280,247,569	0.21%	4,788,520
Tarrant County		345,130,000	0.20%	690,260
Tarrant County College District		569,915,000	0.20%	1,139,830
Tarrant County Hospital District		440,020,000	0.20%	880,040
Total Overlapping Debt	-	8,557,958,107		539,405,626
Total Direct and Overlapping Debt	$ 1,197,863	$ 8,602,738,537		$ 585,383,919

*Subscription-Based Information Technology Arrangements

** Source: Texas Municipal Reports, Compiled and Published by Municipal Advisory Council of Texas

*** The Town of Flower Mound's total bonded debt is $149,333,574 with $111,275,475 in tax supported debt which is funded by the revenues of the Utility System, the Town's Community Development Corporation and Tax Increment Reinvestment Zone (TIRZ), that the Town has elected to pay from System Net Revenues. The Town may change this policy at any time. This debt service is not included in any coverage calculation and is not subject to the Reserve Fund Requirement.

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the Town. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the Town of Flower Mound. This process recognizes that, when considering the government's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping government.

Town of Flower Mound, Texas
Legal Debt Margin Information
(unaudited)

The Town of Flower Mound operates under a Home Rule Charter as authorized by Article XI, Section 5 of the Texas Constitution. Accordingly, the Town is not limited by the law in the amount of debt it may issue.

Article IX, Section 9.15 of the Home Rule Charter of the Town of Flower Mound provides that:

> The Town Council shall have the power under the provisions of the State Law to levy, assess and collect an annual tax upon real and personal property within the Town to the maximum provided by the Constitution and General Laws of the State of Texas.

Under the Texas Constitution, the Town is limited to a total tax rate of $2.50 per $100 of assessed valuation for all Town purposes, including payment of principal and interest on general obligation debt, and operations of the General Fund.

The Town of Flower Mound ad valorem tax rate for all purposes at September 30, 2024, was $.3873 per $100 of assessed valuation with taxable property assessed at 100% of market value.

Town of Flower Mound, Texas
Pledged-Revenue Coverage
Last Ten Fiscal Years
(unaudited)

	Water and Wastewater Bonds					
Fiscal Year	Total Revenue Available*	Less: Operating Expenses**	Net Available Revenue	Average Debt Service Principal	Average Debt Service Interest	Coverage
2015	$ 41,436,058	$ 28,769,104	$ 12,666,954	$ 956,000	$ 85,342	12.16
2016	41,960,681	32,005,631	9,955,050	- ***	-	N/A
2017	44,497,536	29,347,879	15,149,657	- ***	-	N/A
2018	49,172,947	32,226,278	16,946,669	- ***	-	N/A
2019	45,277,974	31,887,610	13,390,364	- ***	-	N/A
2020	49,891,652	33,799,148	16,092,504	- ***	-	N/A
2021	50,286,024	34,879,896	15,406,128	- ***	-	N/A
2022	58,439,148	37,507,374	20,931,774	- ***	-	N/A
2023	62,549,268	37,211,988	25,337,280	- ***	-	N/A
2024	62,409,767	41,100,758	21,309,009	- ***	-	N/A

* Total Revenue Available excludes stormwater drainage revenues.

** Operating Expenses include only water and wastewater expenses.

*** The outstanding revenue debt was refunded in March 2016 with General Obligation Refunding Bonds, Series 2016.

Town of Flower Mound, Texas
Demographic and Economic Statistics
Last Ten Fiscal Years
(unaudited)

Fiscal Year	Population	Personal Income *	Per Capita Personal Income (Denton County) **	Median Age *	School Enrollment	Unemployment Rate ***
2015	66,820	-	$ 50,112	-	19,141	3.10%
2016	68,050	-	51,332	-	16,680	3.40%
2017	71,850	-	53,948	-	16,618	2.80%
2018	73,130	-	55,933	-	16,490	2.70%
2019	76,030	-	59,414	-	16,510	2.60%
2020	78,080	-	63,283	-	16,055	4.50%
2021	79,390	-	68,773	-	16,225	3.00%
2022	78,570	-	74,412	-	16,177	2.70%
2023	79,930	-	73,537	-	16,149	3.20%
2024	80,707	-	77,733	-	16,976	3.40%

* Personal Income and Median Age are only available in census years.

Source: United States Census Bureau, Applied Geographical Solutions

** Source: Bureau of Economic Analysis

*** Texas Workforce Commission

Town of Flower Mound, Texas
Principal Employers
Current Year and Nine Years Ago
(unaudited)

	2024			2015		
Employer	**Employees**	**Rank**	**Percentage of Total Town Employment**	**Employees**	**Rank**	**Percentage of Total Town Employment**
Communication Test Design, Inc. (CTDI)	1,400	1	2.86%	560	4	1.51%
MI Windows & Doors	710	2	1.45%	600	3	1.62%
Texas Health Presbyterian Hospital Flower Mound	700	3	1.43%	615	2	1.66%
Stryker Communications	480	4	0.98%	315	6	0.85%
Likewize	400	5	0.82%	-		-
Best Buy Distribution & Service Center	250	6	0.51%	185	9	0.50%
HD Supply	200	7	0.41%	250	7	0.67%
Home Depot	200	8	0.41%	-		0.00%
Ivie & Associates	190	9	0.39%	160	10	0.43%
BOHM Technologies	175	10	0.36%	-		-
Lewisville Independent School District	-	-	-	1,800	1	4.85%
Town of Flower Mound	-	-	-	475	5	1.28%
KeHE (formerly Nature's Best)	-	-	-	200	8	0.54%
Totals	4,705		9.62%	5,160		13.91%

Source: Town Economic Development Division
Note: Listing includes only private sector employers for 2024.

Town of Flower Mound, Texas
Full-time Equivalent Town Government Employees by Function
Last Ten Fiscal Years
(unaudited)

	Full-time Equivalent Employees as of September 30									
	2015	**2016**	**2017**	**2018**	**2019***	**2020**	**2021**	**2022**	**2023**	**2024**
Function										
Administrative services	29.00	29.00	30.00	30.00	31.00	30.00	31.00	31.00	31.00	33.00
Communications	7.00	6.00	7.00	7.00	7.00	7.50	7.50	7.50	8.00	8.00
Community services	113.50	113.75	115.50	117.50	-	-	-	-	-	-
Parks & Recreation Services	-	-	-	-	99.25	99.25	99.25	101.00	102.00	102.25
Library Services	-	-	-	-	21.00	21.00	23.00	23.00	23.50	23.75
Development services	30.50	31.50	33.50	33.25	23.00	23.00	23.00	23.00	23.00	24.00
Environmental services	14.75	16.00	17.50	17.50	16.50	16.50	16.50	16.50	17.00	18.00
Financial services	37.50	37.50	37.50	37.50	37.50	37.50	37.50	37.50	38.50	40.50
Fire and emergency services	101.50	114.50	114.50	115.00	116.00	131.00	132.00	138.50	141.50	142.00
Infrastructure services	-	-	-	-	-	-	-	-	-	-
Legislative services	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00
Police services	145.00	148.50	150.50	140.50	151.00	169.75	169.75	173.75	174.50	178.50
Public works	88.50	96.50	98.00	98.75	113.50	113.50	114.50	120.50	121.50	122.50
Town manager's office	5.50	5.50	5.50	6.50	6.50	6.50	6.50	7.50	9.50	9.50
Total	576.75	602.75	613.50	607.50	626.25	659.50	664.50	683.75	694.00	706.00

Source: Town Financial Services Department

*Effective fiscal year ending September 30, 2019, Community Services was split into Parks and Recreation Services and Library Services.

Town of Flower Mound, Texas
Operating Indicators by Function
Last Ten Fiscal Years
(unaudited)

	Fiscal Year			
	2015	**2016**	**2017**	**2018**
Function				
Development services				
New residential building permits issued	500	350	448	592
Value	$ 219,691,459	$ 167,205,907	$ 205,903,096	$ 257,252,261
New commercial building permits issued	73	74	62	35
Value	$ 145,954,106	$ 187,454,584	$ 118,872,009	$ 68,624,239
Financial services				
Average daily consumption (gallons)	11,261,386	11,839,381	12,168,768	13,527,951
Water customers	22,917	23,326	23,845	24,443
Sewer customers	20,012	20,385	20,845	21,375

Source: Town Development Services Department and Financial Services Department
* Values reflect amounts as of June 30, 2019. Due to HB 852, Permit values are no longer obtained during the permit process.

Fiscal Year						
2019*	2020	2021	2022	2023	2024
500	423	458	396	117	84
$ 156,432,776	$ -	$ -	$ -	$ -	$ -
46	59	12	32	13	19
$ 74,466,756	$ -	$ -	$ -	$ -	$ -
10,318,256	12,393,690	11,915,782	14,410,953	14,596,442	13,326,372
24,977	25,391	25,896	26,222	26,367	26,465
21,883	22,246	22,651	22,901	23,017	23,100

Town of Flower Mound, Texas
Capital Asset Statistics by Function
Last Ten Fiscal Years
(unaudited)

	Fiscal Year									
	2015	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**	**2023**	**2024**
Function										
Community services										
Parks acreage	940	940	888*	888	983**	983	991	997	997	997
Parks	54	54	55	55	56	56	56	57	57	57
Financial services										
Water mains (miles)	429	437	448	454	462	467	477	487	484	487
Fire and Emergency services										
Fire stations	5	5	6	6	6	6	7	7	7	7
Fire hydrants	3,708	3,819	3,946	4,061	4,184	4,288	4,381	4,468	4,497	4,603
Infrastructure services										
Improved streets (miles)	401	408	415	415	418	419	422	424	423	453
Unimproved streets (miles)	7	8	8	8	9	10	8	8	8	1
Storm sewers (miles)	160	160	164	164	164	166	169	171	173	174

* Parks acreage includes long-term leased land from the Corp of Engineer for Twin Coves park.
Twin Coves Park acreage was updated to reflect most recent data from GIS

** Parks acreage reflects the most updated information from Parks and GIS and includes all named parks, greenbelts, open space, COE leases, and LISD property that the Town uses and maintains.

Source: Town Departments

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CPAs & BUSINESS ADVISORS

Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

To the Mayor and
Members of the Town Council
Town of Flower Mound, Texas

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*), the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Flower Mound, Texas (the Town), as of and for the year ended September 30, 2024, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements and have issued our report thereon dated March 13, 2025.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Town's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Town's internal control. Accordingly, we do not express an opinion on the effectiveness of the Town's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Town's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

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Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Town's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Town's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Eide Bailly LLP

Abilene, Texas
March 13, 2025

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CPAs & BUSINESS ADVISORS

Independent Auditor's Report on Compliance for the Major Federal Program; Report on Internal Control Over Compliance Required by the Uniform Guidance

To the Mayor and
Members of the Town Council
Town of Flower Mound, Texas

Report on Compliance for the Major Federal Program

Opinion on the Major Federal Program

We have audited Town of Flower Mound, Texas's (the Town) compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on the Town's major federal program for the year ended September 30, 2024. The Town's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Town complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on the major federal program for the year ended September 30, 2024.

Basis for Opinion on the Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Town and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for the major federal program. Our audit does not provide a legal determination of the Town's compliance with the compliance requirements referred to above.

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Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the Town's federal program.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Town's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Town's compliance with the requirements of the major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Town's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Town's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the Town's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control over Compliance

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Eide Bailly LLP

Abilene, Texas
March 13, 2025

Federal Grantor/Pass-Through Grantor/ Program or Cluster Title	Federal Financial Assistance Listing	Pass-Through Entity Identifying Number	Expenditures
Federal Awards			
Department of Justice			
Direct Program			
Bulletproof Vests Partnership Program	16.607	N/A	$ 11,044
Passed through the Office of the Texas Governor			
Edward Byrne Memorial Justice Assistance Grant	16.738	4755901	80,557
Total Department of Justice			91,601
Department of Housing and Urban Development			
Direct Program			
COVID-19 Community Development Block Grant	14.218	N/A	22,206
Community Development Block Grant	14.218	N/A	828
Community Development Block Grant	14.218	N/A	99,659
Community Development Block Grant	14.218	N/A	81,053
Total Community Development Block Grant - Entitlement Grant Cluster			203,746
Total Department of Housing and Urban Development			203,746
Department of Treasury			
Direct Program			
COVID-19 Coronavirus State and Local Fiscal Recovery Funds Program	21.027	N/A	2,048,591
Total Department of Treasury			2,048,591
National Foundation on the Arts and Humanities			
Passed through the Office of the Texas Governor			
Grants to States	45.310	TXR-24006	7,249
Total National Foundation on the Arts and Humanities			7,249
Total Federal Financial Assistance			$ 2,351,187

See Notes to Schedule of Expenditures of Federal Awards

Note A - Basis of Presentation

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of the Town of Flower Mound, Texas, under programs of the federal government for the year ended September 30, 2024. The information is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the Town, it is not intended to and does not present the financial position, changes in net position or fund balance, or cash flows of the Town.

Note B – Summary of Significant Accounting Principles

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. The Governmental Fund types are accounted for using a current financial resources measurement focus. All federal expenditures were accounted for in the General Fund and Special Revenue Funds, components of the Governmental Fund type, using the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowed or are limited as to reimbursement.

Federal grants are considered to be earned to the extent of expenditures made under the provisions of the grant. No federal awards have been provided to a subrecipient.

Note C – Indirect Cost Rate

The Town has not elected to use the 10% de minimis cost rate.

Section I – Summary of Auditor's Results

FINANCIAL STATEMENTS

Type of auditor's report issued	Unmodified
Internal control over financial reporting:	
Material weaknesses identified	No
Significant deficiencies identified not considered to be material weaknesses	None Reported
Noncompliance material to financial statements noted?	No

FEDERAL AWARDS

Internal control over major programs:	
Material weaknesses identified	No
Significant deficiencies identified not considered to be material weaknesses	None Reported
Type of auditor's report issued on compliance for major programs:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with Uniform Guidance 2 CFR 200.516 (a):	No

Identification of major programs:

Name of Federal Program	Federal Financial Assistance Listing
COVID-19 Coronavirus State and Local Fiscal Recovery Funds Program	21.027

Dollar threshold used to distinguish between type A and type B programs for federal awards:	$750,000
Auditee qualified as low-risk auditee?	Yes

Section II – Financial Statement Findings

The audit disclosed no findings required to be reported.

Section III – Federal Award Findings and Questioned Costs

The audit disclosed no findings or questioned costs required to be reported.

THE TOWN OF
FLOWER MOUND
TEXAS